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MERCHANDISE MISBRANDING BILLS

HEARINGS

BEFORE THE

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
OF THE HOUSE OF REPRESENTATIVES

SIXTY-SIXTH CONGRESS

SECOND SESSION

ON

H. R. 2855, H. R. 11641

H. R. 13111, H. R. 13136

MARCH 19-31, 1920



WASHINGTON
GOVERNMENT PRINTING OFFICE
1220

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HOUSE OF REPRESENTATIVES.

SIXTY-SIXTH CONGRESS.

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MERCHANDISE MISBRANDING BILLS.

COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Friday, March 19, 1920.

The committee met at 10.30 o'clock a. m., Hon. John J. Esch (chairman), presiding.

The CHAIRMAN. This morning we begin hearings on misbranding and misrepresentation bills, bills for this purpose having been introduced by Mr. Barkley, H. R. 2855; by Mr. French, H. R. 11641; by Mr. Rogers, H. R. 13073, with a subsequent print, H. R. 13136; by Mr. Rainey, H. R. 11891, with a subsequent print, H. R. 13111. I understand Mr. Rogers desires to be heard this morning very briefly as he has to leave the city. Are you ready to proceed, Mr. Rogers?

STATEMENT OF HON. JOHN JACOB ROGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS.

Mr. ROGERS. As the chairman has stated, the bill which I am asking the committee to consider to-day is H. R. 13136, which is a revision of the bill which I introduced in the House a few days ago, H. R. 13073.

I have had bills upon this general subject pending before the committee for a number of years, and simply for the sake of the record I should like to refer to those predecessors of the present bill. I introduced in the Sixty-third Congress, on February 17, 1914, H. R. 13492, and in the Sixty-fourth Congress, on March 11, 1916, I introduced H. R. 13049. Both of those bills and the present bill are based upon three statutes, all of which are very well known, all of which have stood the test of time, and all of which have been extremely salutary in their operation.

The first of the three is the British merchandise marks act of 1887, the second is the pure food and drug act of the United States of June 30, 1906, and the third is the so-called insecticide act of 1910. I rather think, Mr. Chairman, that it might be helpful for the committee and for those reading these hearings if the two American statutes should be reprinted in full as a part of the hearing, and also the material sections of the British merchandise marks act.

The CHAIRMAN. Are those available?

Mr. ROGERS. I have them here, and I shall be glad to hand them to the reporter.

The CHAIRMAN. Without objection, they may be inserted in the record.

Mr. ROGERS. The British merchandise marks act is quite long, and it does not seem worth while to cumber the record with the entire

act; I shall simply incorporate four or five sections which bear directly upon the question before the committee.

(The matter referred to is as follows:)

EXTRACTS FROM MERCHANDISE MARKS ACT, 1887.

[50 and 51 Viet., Ch. 28.]

1. This Act may be cited as the Merchandise Marks Act, 1887.

2. (1) Every person who—

- (a) Forges any trade-mark; or
- (b) Falsely applies to goods any trade-mark or any mark so nearly resembling a trade-mark as to be calculated to deceive; or
- (c) Makes any die, block, machine, or other instrument for the purpose of forging, or of being used for forging, a trade-mark; or
- (d) Applies any false trade description to goods; or
- (e) Disposes of or has in his possession any die, block, machine, or other instrument for the purpose of forging a trade-mark; or
- (f) Causes any of the things above in this section mentioned to be done, shall, subject to the provisions of this Act, and unless he proves that he acted without intent to defraud, be guilty of an offence against this Act.

(2) Every person who sells, or exposes for, or has in his possession for, sale, or any purpose of trade or manufacture, any goods or things to which any forged trade-mark or false trade description is applied, or to which any trade-mark or mark so nearly resembling a trade-mark as to be calculated to deceive is falsely applied, as the case may be, shall, unless he proves—

(a) That having taken all reasonable precautions against committing an offence against this Act, he had at the time of the commission of the alleged offence no reason to suspect the genuineness of the trade-mark, mark, or trade description; and

(b) That on demand made by or on behalf of the prosecutor, he gave all the information in his power with respect to the persons from whom he obtained such goods or things; or

(c) That otherwise he had acted innocently—
be guilty of an offence against this Act.

(3) Every person guilty of an offence against this Act shall be liable—

(i) On conviction on indictment to imprisonment, with or without hard labour, for a term not exceeding two years, or to fine, or to both imprisonment and fine; and

(ii) On summary conviction to imprisonment, with or without hard labour, for a term not exceeding four months, or to a fine not exceeding twenty pounds, and in the case of a second or subsequent conviction to imprisonment, with or without hard labour, for a term not exceeding six months, or to a fine not exceeding fifty pounds; and

(iii) In any case, to forfeit to Her Majesty every chattel, article, instrument, or thing by means of or in relation to which the offence has been committed.

(4) The court before whom any person is convicted under this section may order any forfeited articles to be destroyed or otherwise disposed of as the court thinks fit.

(5) If any person feels aggrieved by any conviction made by a court of summary jurisdiction, he may appeal therefrom to a court of quarter sessions.

(6) Any offence for which a person is under this Act liable to punishment on summary conviction may be prosecuted, and any articles liable to be forfeited under this Act by a court of summary jurisdiction may be forfeited, in manner provided by the Summary Jurisdiction Acts: Provided that a person charged with an offence under this section before a court of summary jurisdiction shall, on appearing before the court, and before the charge is gone into, be informed of his right to be tried on indictment, and if he requires be so tried accordingly.

3. (1) For the purposes of this Act—

The expression "trade description" means any description, statement, or other indication, direct or indirect—

- (a) As to the number, quantity, measure, gauge, or weight of any goods; or
 - (b) As to the place or country in which any goods were made or produced; or
 - (c) As to the mode of manufacturing or producing any goods; or
 - (d) As to the material of which any goods are composed; or
 - (e) As to any goods being the subject of an existing patent, privilege, or copyright—
- and the use of any figure, word, or mark which, according to the custom of the trade, is commonly taken to be an indication of any of the above matters, shall be deemed to be a trade description within the meaning of this Act.

The expression "false trade description" means a trade description which is false in a material respect as regards the goods to which it is applied, and includes every alteration of a trade description, whether by way of addition, effacement, or otherwise, where that alteration makes the description false in a material respect, and the fact that a trade description is a trade-mark, or part of a trade-mark, shall not prevent such trade description being a false trade description within the meaning of this Act.

5. (1) A person shall be deemed to apply a trade-mark or mark or trade description to goods who—

(a) Applies it to the goods themselves; or

(b) Applies it to any covering, label, reel, or other thing in or with which the goods are sold or exposed or had in possession for any purpose of sale, trade, or manufacture; or

(c) Places, encloses, or annexes any goods which are sold or exposed or had in possession for any purpose of sale, trade, or manufacture, in, with, or to any covering, label, reel, or other thing to which a trade-mark or trade description has been applied; or

(d) Uses a trade-mark or mark or trade description in any manner calculated to lead to the belief that the goods in connexion with which it is used are designated or described by that trade-mark or mark or trade description.

(2) The expression "covering" includes any stopper, cask, bottle, vessel, box, cover, capsule, case, frame, or wrapper; and the expression "label" includes any band or ticket.

A trade-mark or mark or trade description shall be deemed to be applied whether it is woven, impressed, or otherwise worked into, or annexed, or affixed to the goods, or to any covering, label, reel, or other thing.

(3) A person shall be deemed to falsely apply to goods a trade-mark or mark, who without the assent of the proprietor of a trade-mark applies such trade-mark, or a mark so nearly resembling it as to be calculated to deceive, but in any prosecution for falsely applying a trade-mark or mark to goods the burden of proving the assent of the proprietor shall lie on the defendant.

17. On the sale or in the contract for the sale of any goods to which a trade-mark or mark or trade description has been applied, the vendor shall be deemed to warrant that the mark is a genuine trade-mark and not forged or falsely applied, or that the trade description is not a false trade description within the meaning of this Act, unless the contrary is expressed in some writing signed by or on behalf of the vendor and delivered at the time of the sale or contract to and accepted by the vendee.

THE FOOD AND DRUGS ACT, JUNE 30, 1906, AS AMENDED AUGUST 23, 1912.

AN ACT For preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful for any person to manufacture within any Territory or the District of Columbia any article of food or drug which is adulterated or misbranded, within the meaning of this Act; and any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor, and for each offense shall, upon conviction thereof, be fined not to exceed five hundred dollars or shall be sentenced to one year's imprisonment, or both such fine and imprisonment, in the discretion of the court, and for each subsequent offense and conviction thereof shall be fined not less than one thousand dollars or sentenced to one year's imprisonment, or both such fine and imprisonment, in the discretion of the court.

SEC. 2. That the introduction into any State or Territory or the District of Columbia from any other State or Territory or the District of Columbia, or from any foreign country, or shipment to any foreign country of any article of food or drugs which is adulterated or misbranded, within the meaning of this Act, is hereby prohibited; and any person who shall ship or deliver for shipment from any State or Territory or the District of Columbia to any other State or Territory or the District of Columbia, or to a foreign country, or who shall receive in any State or Territory or the District of Columbia from any other State or Territory or the District of Columbia, or foreign country, and having so received, shall deliver, in original unbroken packages, for pay or otherwise, or offer to deliver to any other person, any such article so adulterated or misbranded within the meaning of this Act, or any person who shall sell or offer for sale in the District of Columbia or the Territories of the United States any such adulterated or misbranded foods or drugs, or export or offer to export the same

to any foreign country, shall be guilty of a misdemeanor, and for such offense be fined not exceeding two hundred dollars for the first offense, and upon conviction for each subsequent offense not exceeding three hundred dollars or be imprisoned not exceeding one year, or both, in the discretion of the court: *Provided*, That no article shall be deemed misbranded or adulterated within the provisions of this Act when intended for export to any foreign country and prepared or packed according to the specifications or directions of the foreign purchaser when no substance is used in the preparation or packing thereof in conflict with the laws of the foreign country to which said article is intended to be shipped; but if said article shall be in fact sold or offered for sale for domestic use or consumption, then this proviso shall not exempt said article from the operation of any of the other provisions of this Act.

Sec. 3. That the Secretary of the Treasury, the Secretary of Agriculture, and the Secretary of Commerce and Labor shall make uniform rules and regulations for carrying out the provisions of this Act, including the collection and examination of specimens of foods and drugs manufactured or offered for sale in the District of Columbia, or in any Territory of the United States, or which shall be offered for sale in unbroken packages in any State other than that in which they shall have been respectively manufactured or produced, or which shall be received from any foreign country, or intended for shipment to any foreign country, or which may be submitted for examination by the chief health, food, or drug officer of any State, Territory, or the District of Columbia, or at any domestic or foreign port through which such product is offered for interstate commerce, or for export or import between the United States and any foreign port or country.

Sec. 4. That the examinations of specimens of foods and drugs shall be made in the Bureau of Chemistry of the Department of Agriculture, or under the direction and supervision of such bureau, for the purpose of determining from such examinations whether such articles are adulterated or misbranded within the meaning of this act; and if it shall appear from any such examination that any of such specimens is adulterated or misbranded within the meaning of this act, the Secretary of Agriculture shall cause notice thereof to be given to the party from whom such sample was obtained. Any party so notified shall be given an opportunity to be heard, under such rules and regulations as may be prescribed as aforesaid, and if it appears that any of the provisions of this act have been violated by such party, then the Secretary of Agriculture shall at once certify the facts to the proper United States district attorney, with a copy of the results of the analysis or the examination of such article duly authenticated by the analyst or officer making such examination, under the oath of such officer. After judgment of the court, notice shall be given by publication in such manner as may be prescribed by the rules and regulations aforesaid.

Sec. 5. That it shall be the duty of each district attorney to whom the Secretary of Agriculture shall report any violation of this act, or to whom any health or food or drug officer or agent of any State, Territory, or the District of Columbia shall present satisfactory evidence of any such violation, to cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States, without delay, for the enforcement of the penalties as in such case herein provided.

Sec. 6. That the term "drug" as used in this act, shall include all medicines and preparations recognized in the United States Pharmacopœia or National Formulary for internal or external use, and any substance or mixture of substances intended to be used for the cure, mitigation, or prevention of disease of either man or other animals. The term "food," as used herein, shall include all articles used for food, drink, confectionery, or condiment by man or other animals, whether simple, mixed, or compound.

Sec. 7. That for the purposes of this act an article shall be deemed to be adulterated:
In case of drugs:

First. If, when a drug is sold under or by a name recognized in the United States Pharmacopœia or National Formulary, it differs from the standard of strength, quality, or purity, as determined by the test laid down in the United States Pharmacopœia or National Formulary official at the time of investigation: *Provided*, That no drug defined in the United States Pharmacopœia or National Formulary shall be deemed to be adulterated under this provision if the standard of strength, quality, or purity be plainly stated upon the bottle, box, or other container thereof although the standard may differ from that determined by the test laid down in the United States Pharmacopœia or National Formulary.

Second. If its strength or purity fall below the professed standard or quality under which it is sold.

In the case of confectionery:

If it contain terra alba, barytes, talc, chrome yellow, or other mineral substance or poisonous color or flavor, or other ingredient deleterious or detrimental to health, or any vinous, malt, or spirituous liquor or compound or narcotic drug.

In the case of food:

First. If any substance has been mixed and packed with it so as to reduce or lower or injuriously affect its quality or strength.

Second. If any substance has been substituted wholly or in part for the article.

Third. If any valuable constituent of the article has been wholly or in part abstracted.

Fourth. If it be mixed, colored, powdered, coated, or stained in a manner whereby damage or inferiority is concealed.

Fifth. If it contain any added poisonous or other added deleterious ingredient which may render such article injurious to health: *Provided*, That when in the preparation of food products for shipment they are preserved by any external application applied in such manner that the preservative is necessarily removed mechanically, or by maceration in water, or otherwise, and directions for the removal of said preservative shall be printed on the covering or the package, the provisions of this act shall be construed as applying only when said products are ready for consumption.

Sixth. If it consists in whole or in part of a filthy, decomposed, or putrid animal or vegetable substance, or any portion of an animal unfit for food, whether manufactured or not, or if it is the product of a diseased animal, or one that has died otherwise than by slaughter.

SEC. 8. That the term "misbranded," as used herein, shall apply to all drugs, or articles of food, or articles which enter into the composition of food, the package or label of which shall bear any statement, design, or device regarding such article, or the ingredients or substances contained therein which shall be false or misleading in any particular, and to any food or drug product which is falsely branded as to the State, Territory, or country in which it is manufactured or produced.

That for the purposes of this act an article shall also be deemed to be misbranded:

In case of drugs:

First. If it be an imitation of or offered for sale under the name of another article.

Second. If the contents of the package as originally put up shall have been removed, in whole or in part, and other contents shall have been placed in such package, or if the package fail to bear a statement on the label of the quantity or proportion of any alcohol, morphine, opium, cocaine, heroin, alpha or beta eucaine, chloroform, cannabis indica, chloral hydrate, or acetanilide, or any derivative or preparation of any such substances contained therein.

Third. If its package or label shall bear or contain any statement, design, or device regarding the curative or therapeutic effect of such article or any of the ingredients or substances contained therein, which is false and fraudulent.

In the case of food:

First. If it be an imitation of or offered for sale under the distinctive name of another article.

Second. If it be labeled or branded so as to deceive or mislead the purchaser, or purport to be a foreign product when not so, or if the contents of the package as originally put up shall have been removed in whole or in part and other contents shall have been placed in such package, or if it fail to bear a statement on the label of the quantity or proportion of any morphine, opium, cocaine, heroin, alpha or beta eucaine, chloroform, cannabis indica, chloral hydrate, or acetanilide, or any derivative or preparation of any of such substances contained therein.

Third.¹ If in package form, the quantity of the contents be not plainly and conspicuously marked on the outside of the package in terms of weight, measure, or numerical count: *Provided, however*, That reasonable variations shall be permitted, and tolerances and also exemptions as to small packages shall be established by rules and regulations made in accordance with the provisions of section three of this act.

Fourth. If the package containing it or its label shall bear any statement, design, or device regarding the ingredients or the substances contained therein, which statement, design, or device shall be false or misleading in any particular: *Provided*, That an article of food which does not contain any added poisonous or deleterious ingredients shall not be deemed to be adulterated or misbranded in the following cases:

First. In the case of mixtures or compounds which may be now or from time to time hereafter known as articles of food, under their own distinctive names, and not an imitation of or offered for sale under the distinctive name of another article, if

¹ The act of March 3, 1913, provides that no penalty of fine, imprisonment, or confiscation shall be enforced for any violation of its provisions as to domestic products prepared or foreign products imported prior to eighteen months after its passage.

the name be accompanied on the same label or brand with a statement of the place where said article has been manufactured or produced.

Second. In the case of articles labeled, branded, or tagged so as to plainly indicate that they are compounds, imitations, or blends, and the word "compound," "imitation," or "blend," as the case may be, is plainly stated on the package in which it is offered for sale: *Provided*, That the term blend as used herein shall be construed to mean a mixture of like substances, not excluding harmless coloring or flavoring ingredients used for the purpose of coloring and flavoring only: *And provided further*, That nothing in this Act shall be construed as requiring or compelling proprietors or manufacturers of proprietary foods which contain no unwholesome added ingredient to disclose their trade formulas, except in so far as the provisions of this act may require to secure freedom from adulteration or misbranding.

Sec. 9. That no dealer shall be prosecuted under the provisions of this Act when he can establish a guaranty signed by the wholesaler, jobber, manufacturer, or other party residing in the United States, from whom he purchases such articles, to the effect that the same is not adulterated or misbranded within the meaning of this Act, designating it. Said guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of such articles to such dealer, and in such case said party or parties shall be amenable to the prosecutions, fines and other penalties which would attach, in due course, to the dealer under the provisions of this Act.

Sec. 10. That any article of food, drug, or liquor that is adulterated or misbranded within the meaning of this Act, and is being transported from one State, Territory, District, or insular possession to another for sale, or, having been transported, remains unloaded, unsold, or in original unbroken packages, or if it be sold or offered for sale in the District of Columbia or the Territories, or insular possessions of the United States, or if it be imported from a foreign country for sale, or if it is intended for export to a foreign country, shall be liable to be proceeded against in any district court of the United States within the district where the same is found, and seized for confiscation by a process of libel for condemnation. And if such article is condemned as being adulterated or misbranded, or of a poisonous or deleterious character, within the meaning of this Act, the same shall be disposed of by destruction or sale, as the said court may direct, and the proceeds thereof, if sold, less the legal costs and charges, shall be paid into the Treasury of the United States, but such goods shall not be sold in any jurisdiction contrary to the provisions of this Act or the laws of that jurisdiction: *Provided, however*, That upon the payment of the costs of such libel proceedings and the execution and delivery of a good and sufficient bond to the effect that such articles shall not be sold or otherwise disposed of contrary to the provisions of this Act, or the laws of any State, Territory, District, or insular possession, the court may by order direct that such articles be delivered to the owner thereof. The proceedings of such libel cases shall conform, as near as may be, to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in any such case, and all such proceedings shall be at the suit of and in the name of the United States.

Sec. 11. The Secretary of the Treasury shall deliver to the Secretary of Agriculture, upon his request from time to time, samples of foods and drugs which are being imported into the United States or offered for import, giving notice thereof to the owner or consignee, who may appear before the Secretary of Agriculture, and have the right to introduce testimony, and if it appear from the examination of such samples that any article of food or drug offered to be imported into the United States is adulterated or misbranded within the meaning of this Act, or is otherwise dangerous to the health of the people of the United States, or is of a kind forbidden entry into, or forbidden to be sold or restricted in sale in the country in which it is made or from which it is exported, or is otherwise falsely labeled in any respect, the said article shall be refused admission, and the Secretary of the Treasury shall refuse delivery to the consignee and shall cause the destruction of any goods refused delivery which shall not be exported by the consignee within three months from the date of notice of such refusal under such regulations as the Secretary of the Treasury may prescribe: *Provided*, That the Secretary of the Treasury may deliver to the consignee such goods pending examination and decision in the matter on execution of a penal bond for the amount of the full invoice value of such goods, together with the duty thereon, and on refusal to return such goods for any cause to the custody of the Secretary of the Treasury, when demanded, for the purpose of excluding them from the country, or for any other purpose, said consignee shall forfeit the full amount of the bond: *And provided further*, That all charges for storage, cartage, and labor on goods which are refused admission or delivery shall be paid by the owner or con-

signee, and in default of such payment shall constitute a lien against any future importation made by such owner or consignee.

SEC. 12. That the term "Territory" as used in this Act shall include the insular possessions of the United States. The word "person" as used in this Act shall be construed to import both the plural and the singular, as the case demands, and shall include corporations, companies, societies and associations. When construing and enforcing the provisions of this Act, the act, omission, or failure of any officer, agent, or other person acting for or employed by any corporation, company, society, or association, within the scope of his employment or office, shall in every case be also deemed to be the act, omission, or failure of such corporation, company, society, or association as well as that of the person.

SEC. 13. That this Act shall be in force and effect from and after the first day of January, nineteen hundred and seven.

Approved June 30, 1906.

[PUBLIC—No. 419.]

[H. R. 22526.]

AN ACT To amend section eight of an act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June thirtieth, nineteen hundred and six.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section eight of an act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June thirtieth, nineteen hundred and six, be, and the same is hereby, amended by striking out the words "Third. If in package form, and the contents are stated in terms of weight or measure, they are not plainly and correctly stated on the outside of the package," and inserting in lieu thereof the following:

"Third. If in package form, the quantity of the contents be not plainly and conspicuously marked on the outside of the package in terms of weight, measure, or numerical count: *Provided, however,* That reasonable variations shall be permitted, and tolerances and also exemptions as to small packages shall be established by rules and regulations made in accordance with the provisions of section three of this act."

SEC. 2. That this act shall take effect and be in force from and after its passage: *Provided, however,* That no penalty of fine, imprisonment, or confiscation shall be enforced for any violation of its provisions as to domestic products prepared or foreign products imported prior to eighteen months after its passage.

Approved, March 3, 1913.

INSECTICIDE ACT OF 1910.

[Public—No. 152.]

[S. 6131.]

AN ACT For preventing the manufacture, sale, or transportation of adulterated or misbranded Paris greens, lead arsenates, and other insecticides, and also fungicides, and for regulating traffic therein, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful for any person to manufacture within any Territory or the District of Columbia any insecticide, Paris green, lead arsenate, or fungicide which is adulterated or misbranded within the meaning of this act; and any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor, and shall, upon conviction thereof, be fined not to exceed two hundred dollars for the first offense, and upon conviction for each subsequent offense be fined not to exceed three hundred dollars, or sentenced to imprisonment for not to exceed one year, or both such fine and imprisonment, in the discretion of the court.

SEC. 2. That the introduction into any State or Territory or the District of Columbia from any other State or Territory or the District of Columbia, or from any foreign country, or shipment to any foreign country, of any insecticide, or Paris green, or lead arsenate, or fungicide which is adulterated or misbranded within the meaning of this act is hereby prohibited; and any person who shall ship or deliver for shipment

from any State or Territory or the District of Columbia to any other State or Territory or the District of Columbia, or to a foreign country, or who shall receive in any State or Territory or the District of Columbia from any other State or Territory or the District of Columbia, or foreign country, and having so received, shall deliver, in original unbroken packages, for pay or otherwise, or offer to deliver, to any other person, any such article so adulterated or misbranded within the meaning of this act, or any person who shall sell or offer for sale in the District of Columbia or any Territory of the United States any such adulterated or misbranded insecticide, or Paris green, or lead arsenate, or fungicide, or export or offer to export the same to any foreign country, shall be guilty of a misdemeanor, and for such offense be fined not exceeding two hundred dollars for the first offense, and upon conviction for each subsequent offense not exceeding three hundred dollars, or be imprisoned not exceeding one year, or both, in the discretion of the court: *Provided*, That no article shall be deemed misbranded or adulterated within the provisions of this act when intended for export to any foreign country and prepared or packed according to the specifications or directions of the foreign purchaser; but if said articles shall be in fact sold or offered for sale for domestic use or consumption, then this proviso shall not exempt said article from the operation of any of the other provisions of this act.

SEC. 3. That the Secretary of the Treasury, the Secretary of Agriculture, and the Secretary of Commerce and Labor shall make uniform rules and regulations for carrying out the provisions of this act, including the collection and examination of specimens of insecticides, Paris greens, lead arsenates, and fungicides manufactured or offered for sale in the District of Columbia or in any Territory of the United States, or which shall be offered for sale in unbroken packages in any State other than that in which they shall have been respectively manufactured or produced, or which shall be received from any foreign country or intended for shipment to any foreign country, or which may be submitted for examination by the director of the experiment station of any State, Territory, or the District of Columbia (acting under the direction of the Secretary of Agriculture), or at any domestic or foreign port through which such product is offered for interstate commerce, or for export or import between the United States and any foreign port or country.

SEC. 4. That the examination of specimens of insecticides, Paris greens, lead arsenates, and fungicides shall be made in the Department of Agriculture, by such existing bureau or bureaus as may be directed by the Secretary, for the purpose of determining from such examination whether such articles are adulterated or misbranded within the meaning of this act; and if it shall appear from any such examination that any of such specimens are adulterated or misbranded within the meaning of this act, the Secretary of Agriculture shall cause notice thereof to be given to the party from whom such sample was obtained. Any party so notified shall be given an opportunity to be heard, under such rules and regulations as may be prescribed as aforesaid, and if it appears that any of the provisions of this act have been violated by such party, then the Secretary of Agriculture shall at once certify the facts to the proper United States district attorney, with a copy of the results of the analysis or the examination of such article duly authenticated by the analyst or officer making such examination, under the oath of such officer. After judgment of the court, notice shall be given by publication in such manner as may be prescribed by the rules and regulations aforesaid.

SEC. 5. That it shall be the duty of each district attorney to whom the Secretary of Agriculture shall report any violation of this act, or to whom any director of experiment station or agent of any State, Territory, or the District of Columbia, under authority of the Secretary of Agriculture, shall present satisfactory evidences of any such violation, to cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States, without delay, for the enforcement of the penalties as in such case herein provided.

SEC. 6. That the term "insecticide" as used in this act shall include any substance or mixture of substances intended to be used for preventing, destroying, repelling, or mitigating any insects which may infest vegetation, man or other animals, or households, or be present in any environment whatsoever. The term "Paris green" as used in this act shall include the product sold in commerce as Paris green and chemically known as the aceto-arsenite of copper. The term "lead arsenate" as used in this act shall include the product or products sold in commerce as lead arsenate and consisting chemically of products derived from arsenic acid (H_3AsO_4) by replacing one or more hydrogen atoms by lead. That the term "fungicide" as used in this act shall include any substance or mixture of substances intended to be used for preventing, destroying, repelling, or mitigating any and all fungi that may infest vegetation or be present in any environment whatsoever.

SEC. 7. That for the purpose of this act an article shall be deemed to be adulterated—

In the case of Paris green: First if it does not contain at least fifty per centum of arsenious oxide; second, if it contains arsenic in water-soluble forms equivalent to more than three and one-half per centum of arsenious oxide; third, if any substance has been mixed and packed with it so as to reduce or lower or injuriously affect its quality or strength.

In the case of lead arsenate: First, if it contains more than fifty per centum of water; second, if it contains total arsenic equivalent to less than twelve and one-half per centum of arsenic oxid (As_2O_3); third, if it contains arsenic in water-soluble forms equivalent to more than seventy-five one-hundredths per centum of arsenic oxid (As_2O_3); fourth, if any substances have been mixed and packed with it so as to reduce, lower, or injuriously affect its quality or strength: *Provided, however,* That extra water may be added to lead arsenate (as described in this paragraph) if the resulting mixture is labeled lead arsenate and water, the percentage of extra water being plainly and correctly stated on the label.

In the case of insecticides or fungicides, other than Paris green and lead arsenate: First, if its strength or purity fall below the professed standard or quality under which it is sold; second, if any substance has been substituted wholly or in part for the article; third, if any valuable constituent of the article has been wholly or in part abstracted; fourth, if it is intended for use on vegetation and shall contain any substance or substances which, although preventing, destroying, repelling, or mitigating insects, shall be injurious to such vegetation when used.

SEC. 8. That the term "misbranded" as used herein shall apply to all insecticides, Paris greens, lead arsenates, or fungicides, or articles which enter into the composition of insecticides or fungicides, the package or label of which shall bear any statement, design, or device regarding such article or the ingredients or substances contained therein which shall be false or misleading in any particular, and to all insecticides, Paris greens, lead arsenates, or fungicides which are falsely branded as to the State, Territory, or country in which they are manufactured or produced.

That for the purpose of this act an article shall be deemed to be misbranded —

In the case of insecticides, Paris greens, lead arsenates, and fungicides: First, if it be an imitation or offered for sale under the name of another article; second, if it be labeled or branded so as to deceive or mislead the purchaser, or if the contents of the package as originally put up shall have been removed in whole or in part and other contents shall have been placed in such package; third, if in package form, and the contents are stated in terms of weight or measure, they are not plainly and correctly stated on the outside of the package.

In the case of insecticides (other than Paris greens and lead arsenates) and fungicides: First, if it contains arsenic in any of its combinations or in the elemental form and the total amount of arsenic present (expressed as per centum of metallic arsenic) is not stated on the label; second, if it contains arsenic in any of its combinations or in the elemental form and the amount of arsenic in water-soluble forms (expressed as per centum of metallic arsenic) is not stated on the label; third, if it consists partially or completely of an inert substance or substances which do not prevent, destroy, repel, or mitigate insects or fungi and does not have the names and percentage amounts of each and every one of such inert ingredients plainly and correctly stated on the label: *Provided, however,* That in lieu of naming and stating the percentage amount of each and every inert ingredient the producer may at his discretion state plainly upon the label the correct names and percentage amounts of each and every ingredient of the insecticide or fungicide having insecticidal or fungicidal properties, and make no mention of the inert ingredients, except in so far as to state the total percentage of inert ingredients present.

SEC. 9. That no dealer shall be prosecuted under the provisions of this act when he can establish a guaranty signed by the wholesaler, jobber, manufacturer, or other party residing in the United States, from whom he purchased such articles, to the effect that the same is not adulterated or misbranded within the meaning of this act, designating it. Said guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of such articles to such dealer, and in such case said party or parties shall be amenable to the prosecutions, fines, and other penalties which would attach in due course to the dealer under the provisions of this act.

SEC. 10. That an insecticide, Paris green, lead arsenate, or fungicide that is adulterated or misbranded within the meaning of this act and is being transported from one State, Territory, or District, to another for sale, or, having been transported, remains unloaded, unsold, or in original unbroken packages, or if it be sold or offered for sale in the District of Columbia or any Territory of the United States, or if it be imported from a foreign country for sale, shall be liable to be proceeded against in

any district court of the United States within the district wherein the same is found and seized for confiscation by a process of libel for condemnation.

And if such article is condemned as being adulterated or misbranded, within the meaning of this act, the same shall be disposed of by destruction or sale as the said court may direct, and the proceeds thereof, if sold, less the legal costs and charges, shall be paid into the Treasury of the United States, but such goods shall not be sold in any jurisdiction contrary to the provisions of this act or the laws of that jurisdiction: *Provided, however,* That upon the payment of the costs of such libel proceedings and the execution and delivery of a good and sufficient bond to the effect that such articles shall not be sold or otherwise disposed of contrary to the provisions of this act or the laws of any State, Territory, or District, the court may by order direct that such articles be delivered to the owner thereof. The proceedings of such libel cases shall conform, as near as may be, to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in any such case, and all such proceedings shall be at the suit of and in the name of the United States.

SEC. 11. That the Secretary of the Treasury shall deliver to the Secretary of Agriculture, upon his request, from time to time, samples of insecticides, Paris greens, lead arsenates, and fungicides which are being imported into the United States or offered for import, giving notice thereof to the owner or consignee, who may appear before the Secretary of Agriculture and have the right to introduce testimony; and if it appear from the examination of such samples that any insecticide, or Paris green, or lead arsenate, or fungicide offered to be imported into the United States is adulterated or misbranded within the meaning of this act, or is otherwise dangerous to the health of the people of the United States, or is of a kind forbidden entry into or forbidden to be sold or restricted in sale in the country in which it is made or from which it is exported, or is otherwise falsely labeled in any respect, the said article shall be refused admission, and the Secretary of the Treasury shall refuse delivery to the consignee and shall cause the destruction of any goods refused delivery which shall not be exported by the consignee within three months from the date of notice of such refusal under such regulations as the Secretary of the Treasury may prescribe: *Provided,* That the Secretary of the Treasury may deliver to the consignee such goods pending examination and decision in the matter on execution of a penal bond for the amount of the full invoice value of such goods, together with the duty thereon, and on refusal to return such goods for any cause to the custody of the Secretary of the Treasury, when demanded, for the purpose of excluding them from the country, or for any other purpose, said consignee shall forfeit the full amount of the bond: *And provided further,* That all charges for storage, cartage, and labor on goods which are refused admission or delivery shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against any future importation made by such owner or consignee.

SEC. 12. That the term "Territory," as used in this act, shall include the District of Alaska and the insular possessions of the United States. The word "person," as used in this act, shall be construed to import both the plural and the singular, as the case demands, and shall include corporations, companies, societies, and associations. When construing and enforcing the provisions of this act, the act, omission, or failure of any officer, agent, or other person acting for or employed by any corporation, company, society, or association, within the scope of his employment or office, shall in every case be also deemed to be the act, omission, or failure of such corporation, company, society, or association, as well as that of the other person.

SEC. 13. That this act shall be known and referred to as "The insecticide act of 1910."

SEC. 14. That this act shall be in force and effect from and after the first day of January, nineteen hundred and eleven.

Approved, April 26, 1910.

Mr. MERRITT. How long has the British merchandise marks act been in operation?

Mr. ROGERS. It was passed in 1887. My bills of 1914 and 1916, as well as the bill now before the committee, are all based fundamentally upon the three statutes which I have referred to.

The theory upon which those statutes and upon which my bill proceed is that a man has the right to buy what he wants to buy and that he is not to be prevented from buying whatever he likes. If he wants to buy a pair of paper shoes, or wants to buy a brass watch, or

anything else inferior in quality, whatever it may be, he has a right to buy it. But a man has the right to be protected against being deceived in what he is buying; he has the right to be protected against buying a brass watch labeled 18-karat gold, and against buying a pair of shoes which are really paper shoes but which are labeled "pure leather." It is therefore an act to prevent misbranding which I have brought to the attention of the committee.

I call this bill, for the purpose of having a descriptive title, "The honest merchandise act of 1920."

That is all it is. It is simply to prevent unscrupulous manufacturers or dealers from representing that an article is different in its essentials from what it is in fact.

It does not seem to me that this bill will be a hardship upon business. It does not seem to me that it will be a hardship upon any legitimate industry, and the best proof of that is the extremely beneficent workings of the pure-food act and of the insecticide act of 1910.

As I say, this measure applies to all commodities the principle of honesty which we have recognized in this country for 15 years in connection with food products and drugs and which the British Parliament has recognized in connection with all commodities for something over 30 years. I should like very briefly indeed to run through the provisions of this bill section by section.

The first section designates the bill as "The honest merchandise act of 1920." The second section provides that misbranding or misrepresentation or the application of any false trade description within any Territory of the United States or in the District of Columbia shall be an offense which shall be punished by fine or imprisonment or both.

The third section is similar in its scope, except that it includes and makes criminal the possession for sale or the sale of the misbranded, misrepresented, or misdescribed goods within any Territory of the United States or the District of Columbia.

The fourth section makes penal interstate dealing in any misbranded, misrepresented, or misdescribed goods.

The fifth section defines rather carefully, and, I think, in rather a new and accurate way, what shall constitute misbranding or misrepresentation.

The framework of Mr. Barkley's bill and the framework of my bill are very similar, and the principal differences between them, I should say, would be found in the definitions of misbranding or misrepresentation on the one hand and of "trade description" on the other.

The CHAIRMAN. Before you leave section 5 I want to ask you about the provision in subsection 3, line 17, page 4, "If, in package form, and the contents are stated in terms of weight, measure, numerical count, or quality, they are not plainly and correctly stated on the outside of the package, or are stated in such manner as to deceive or to mislead the purchaser or be designed or calculated so to deceive or to mislead the purchaser"; is not that the provision which is in the pure food and drug act? My recollection is that there is very similar or identical language in the pure food and drug act.

Mr. ROGERS. I will read the second subparagraph of section 8 of the pure food and drug act for the purpose of comparison:

If it be labeled or branded so as to deceive or mislead the purchaser, or purport to be a foreign product when not so, or if the contents of the package as originally put up

shall have been removed in whole or in part and other contents shall have been placed in such package, or if it fail to bear a statement on the label of the quantity or proportion of any morphine, opium, cocaine, heroin, alpha, or beta eucaine, chloroform, cannabis indica, chloral hydrate, or acetanilide or any derivative or preparation of any of such substances contained therein.

As far as it is applicable, I think it is identical with the language of my bill.

The CHAIRMAN. Supposing they substitute for the part removed a superior article or ingredient, thus making the final article really more valuable. Would that still be misbranding under your proposition?

Mr. ROGERS. I should think so. Of course opinions as to what constitute superiority or inferiority will vary. A man has a right to be assured that he is really buying what he is told he is buying, even though some one else may say the substitute is of a superior quality. Therefore I should answer your question in the affirmative.

Mr. DEWALT. I would like to ask the chairman a question, and Mr. Rogers also. Referring to section 3 of your bill, do the present acts in regard to branding and labeling go so far as to make it a criminal offense for anyone to have in his possession such articles? Section 3 says, "That every person who, in any territory of the United States or in the District of Columbia, sells, or exposes for or has in his possession"; does that mean the mere possession of such articles. Do the other acts go as far as that?

Mr. WINSLOW. It says, "possession for sale."

Mr. DEWALT. Of course, if he had possession of them he would undoubtedly have them for sale and not for mere exhibit.

Mr. ROGERS. That language is copied from one of the three statutes which I have cited, and, if I may, I will put in the record the original of that particular phrase. The British act makes it an offense if any person "sells, or exposes for, or has in his possession for sale, or any purpose of trade or manufacture," any falsely described goods or things. Of course it does not mean mere possession. We must establish that it is possession for sale in order to have this section applicable.

Section 6 defines in half a dozen different ways "trade descriptions." And I may say, Mr. Chairman and gentlemen, that running throughout this act my theory has been that there are three different kinds of deceit possible, first, a straight misbranding; second, a misrepresentation; and third, the application of a false trade description. Oftentimes, perhaps more often than not, those three terms would be synonymous in their application.

But there are cases where misbranding is not a representation and is not a trade description, and vice versa. Therefore, wherever I mention in the bill the word "misbranded" you will find it followed by "misrepresented" and "falsely described."

Section 7 defines what constitutes an application. An application, of course, may in some way be affixed to the goods themselves or it may be to the covering, to the label, or to the container of any kind.

Section 8 defines the word "covering" so as to include all kinds of containers or receptacles in which goods are placed and finally put upon the market.

The CHAIRMAN. What do you say as to the practicability of labeling articles of commerce?

Mr. ROGERS. I do not believe it is practicable or useful to the public to require the labeling of all articles of commerce. If I did I should go further than this bill goes and require affirmatively correct labeling. The theory of this bill is that there shall be no dishonest labeling.

In other words, my view succinctly is that I do not believe the Lindquist bill would be practical in operation. I think it would be an actual hardship on the public rather than a help to the public.

Section 9 deals with the fraudulent use of a trade-mark of another, which is prohibited.

Section 10 provides:

That the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of Agriculture shall make uniform rules and regulations for carrying out the provisions of this act.

Mr. MERRITT. Why do you think it is necessary to say anything about trade-marks, which have been covered already in the trade-mark law?

Mr. ROGERS. My impression is that the provisions contained in section 9 may not be wholly covered in the trade-mark law. If they are, then section 9 can be eliminated.

Section 11 makes the Bureau of Standards of the Department of Commerce the vehicle for the examination of the specimens which are claimed to be misbranded. Such examinations, of course, are very frequently of a highly technical and difficult character and can best be performed, I think, by the Bureau of Standards.

Mr. SWEET. In section 10 you provide that the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of Agriculture shall make rules and regulations to carry the act into effect. Why do you think it is necessary to include the Secretary of the Treasury?

Mr. ROGERS. Because a very large part of the transactions covered by this bill will be import and export transactions, and the Secretary of the Treasury having control over customs, it seems to be rather natural that he should be one of the three officials concerned.

The CHAIRMAN. The provisions in practically all of the remaining sections of your bill are almost identical with the provisions in the Barkley bill, and I think they are also very similar, almost identical, with the provisions in the French bill.

Mr. ROGERS. I have not examined the French bill, but they are identical, I am sure, with the existing law, by which I, and no doubt Mr. Barkley, have been guided, as far as the existing law was applicable.

The CHAIRMAN. They are in the pure food and drug act now.

Mr. ROGERS. They are in the pure food and drug act now, and they are also in the insecticide act, which is not so well-known, but which is analogous, as far as it goes, with the pure food and drug act. In view of the suggestion of the chairman, I will not spend any time on the other sections of the bill. It is provided in section 17—

Mr. DEWALT (interposing). If I may be permitted—I see that the inquiry I made is covered and protected by section 13 in your bill, which is similar to other sections in previous acts, to wit:

That no dealer or other person shall be prosecuted under the provisions of this act when he can establish a guaranty signed by the manufacturer, wholesaler, or other

person residing in the United States from whom he purchased such goods or articles to the effect that the same are not misbranded, misrepresented, or falsely described within the meaning of this act, designating.

Mr. ROGERS. Yes. Section 13, of course, is fundamental in any statute of this kind. If we do not have some way by which an individual dealer may be protected by turning back to the person from whom he buys, the wheels of business would instantly be stopped; and that was recognized in the act of 1906 and also in the act of 1910.

The CHAIRMAN. Is section 18 necessary?

Mr. ROGERS. I think not.

I should like to call attention to one or two queries that have occurred to me in drawing up this bill, because it seems to me that the committee in considering the various measures will perhaps be willing to have its attention directed to the things that struck me as troublesome.

In the first place, we have a proviso in section 4:

That this act shall apply to goods or articles of merchandise intended for export to any foreign country only in the event that a false mark, trade-mark, label, brand, device, or representation is used thereon or in connection therewith.

This proviso goes on to say:

But if said goods or articles shall be in fact sold or offered for sale for domestic use or consumption, then this proviso shall not exempt said goods or articles from the operation of any of the provisions of this act.

Mr. WINSLOW. What is the purpose of your providing this protection on export business?

Mr. ROGERS. That is one of the things which I was not sure about and which I wanted to submit for the consideration of the committee as one of the high lights which I think it will need to consider very carefully.

Of course, this language allows a manufacturer in this country to send to India or to South America a fabric which is marked "pure silk" when it has not a thread of silk in it, provided, of course, that that can be done in accordance with the laws of the country to which it is going. On the other hand, it prevents pirating of a trade-mark; it prevents the arrow, for example, being put on textile fabrics which in this country is recognized as the trade-mark of a certain manufacturer. It prevents the group of stars or any other symbol which is registered and is the property of some other person being used, unless by the manufacturer himself. In other words, it protects the other manufacturers in this country, but it does not necessarily protect the purchaser in the other country. The question is how far it is ethical for us to permit, by the provisions of this act, the sending forth of an article which is in any sense misbranded, even though it may be permissible to sell it under the laws in effect in the country where the article is to be sold.

Mr. WINSLOW. How does that protect our manufacturers against a manufacturer in a foreign country who sees fit to copy the trade-mark of an American manufacturer and sends it into a third country?

Mr. ROGERS. It does not protect him at all. We can not cover such cases except by treaties.

Mr. WINSLOW. So we would be obliged to mark it "pure silk" if we were to ship it to India, and it would have to be pure silk, whereas in France, for instance, they could mark it "pure silk" and not have any silk in it at all.

Mr. ROGERS. That is true, assuming that my proviso is so changed as to apply the same rules for exports and for goods sold in our domestic markets.

Mr. WINSLOW. So in that way you are not helping the American manufacturer a great deal?

Mr. ROGERS. No; you are not.

Mr. SIMS. Why would you not help the American manufacturer if the foreign countries knew that we did not put up with anything of that sort ourselves and would not allow that sort of practice? Why would not that help the American manufacturer?

Mr. ROGERS. I think it might result in the creation of a feeling toward American goods that would be useful to us.

I am free to say that I took a middle ground in the proviso which I have proposed because of the language in the pure food and drug act, which reads as follows:

That no article shall be deemed misbranded or adulterated within the provisions of this act when intended for export to any foreign country and prepared or packed according to the specifications or directions of the foreign purchaser when no substance is used in the preparation or packing thereof in conflict with the laws of the foreign country to which said article is intended to be shipped.

In other words, the pure food and drug act is very much less moral than the proviso which I have suggested. The pure food and drug act allows any kind of misbranding of exports, whether by the misuse of a trade-mark or by a descriptive mark of any kind. My proposal, it seems to me, is about half-way between the provisions of the pure food and drug act and what I think I would consider was the ideal ethical standard, namely, that all goods intended for export to a foreign country should be marked exactly and as strictly as if they were intended for consumption in this country. It is because of my doubt as to what the wise legislative course is along this line that I have suggested the problem as I saw it, after a study of existing law and have suggested this as at least one solution.

Mr. COOPER. It is your intention under the provisions of this bill to prohibit the misbranding of articles and putting shoddy on the market, is it not?

Mr. ROGERS. It is not the intention to prohibit the putting of shoddy on the market, if the purchaser is not told that it is something else.

Mr. COOPER. You do that to protect our people in this country?

Mr. ROGERS. Yes.

Mr. COOPER. Surely we would not be very consistent if we allowed the American manufacturer to send an article out of this country for export that is misbranded.

Mr. ROGERS. I think there is a good deal of force in that suggestion.

Mr. COOPER. The reason I make that statement is this: I may have misunderstood the gentleman from Massachusetts, Mr. Winslow, but I think he objected awhile ago to placing this restriction upon articles of export.

Mr. WINSLOW. I do not mean to give any expression of my views; I am fishing for information.

Mr. ROGERS. We have three possible courses here. We have the loosest and the laxest course, which is the one taken in the pure food and drug act, namely, that we can export anything, no matter how marked, provided the export is in accordance with the order of the

foreign customer and does not conflict with the laws of the foreign jurisdiction.

Then we have the middle course, which I have proposed tentatively for the consideration of the committee in the bill, which provides that if there is no actual misrepresenting, no use of a trade-mark, for example, in violation of our laws, or of this act, then the goods may be shipped to the foreign country. That is the middle course.

The third course, and I suppose we could perhaps agree, the highest ethical course, is to say that we should make no distinction between goods for export to foreign countries, in the matter of labeling, and goods which are to be sold within the jurisdiction of the United States. Which of those three courses is the wisest I do not pretend to be able to guarantee to the committee. But I wished to put the problem before the committee for its consideration in the framing of such a bill as it may decide to report.

Mr. SIMS. Do you not believe in the soundness of the old proverb that "Honesty is the best policy"?

Mr. ROGERS. That has a very familiar sound, and it seems to work pretty well.

Mr. RAYBURN. Is not this true, that if we go to this length to protect our people that is a good deal further than we have ever gone?

Mr. ROGERS. Yes. Of course it is true to-day that there is no protection to our own people, except on food and drugs. Why should we hesitate about protecting a man from buying a pair of paper shoes or a spurious metal watch which has been misdescribed? I think it will be a splendid accomplishment if this committee can provide for giving that protection to purchasers and curing that defect in our laws.

Mr. WINSLOW. I have two propositions I would like to submit to you in respect to the matter about foreign trade. Suppose a manufacturer here should receive an order from the Argentine for imitation leather for automobile tops and his customer in the Argentine has to have that branded "leather" for the simple reason that his competitor in the Argentine market is buying a like article in England marked "leather" and if he did not buy something which he could sell at the same price he could not sell anything at all. That would mean a loss of business distinctly to the American manufacturer, and he is selling to the Argentine under conditions which are apparently satisfactory to the commercial interests of the Argentine. The question arises in such a case as to whether or not we are doing the people of the Argentine any damage when they are allowing every other country a like privilege of infringement, on the rules of strict honesty. What would be your idea as to the lack of integrity on the part of the American manufacturer?

Mr. ROGERS. I do not think there is any lack of integrity proposed in that transaction, and it was because of exactly that kind of transaction and because I had it in mind that I put the bill in this form. I think the middle ground is best, on the whole. I do not think it will work an injustice, and I think it may prevent the American manufacturer from being seriously handicapped in foreign trade.

Mr. WINSLOW. Another question. Are you covering in your bill the matter of raw material? Suppose a manufacturer of light hardware in this country specifies to the rolling mill that he wants steel containing so many points of carbon, which is a description known in

the art of rolling steel, and he buys it and it is billed to him in that way. Do you cover any infringement of that contract in this bill in the event of the rolling mill selling him some other grade of steel?

Mr. ROGERS. Not unless the article itself contains in some way an indication that it is something that it is not. In other words, a breach of contract can not be covered in a misbranding bill. If I understand the gentleman's question correctly he puts a case involving a straight breach of contract, and not a fraud.

Mr. WINSLOW. Let us go a step farther. Let us say that A, a manufacturer in New Haven of light articles of hardware specifies to B, a rolling mill in Pittsburgh, for a certain kind of steel, containing so many points of carbon, which will permit under certain treatment a certain degree of hardness, and the New Haven manufacturer makes up his chisels, he puts the chisel plate through an ordinary procedure of hardening, which if the steel were correct, and the kind of steel he ordered, would give a certain degree of hardness. Now, it turns out that when the carpenter in Chicago comes to use the chisel, he finds that that chisel is soft. Meanwhile, the New Haven manufacturer has described that steel as containing so many points of carbon. He virtually has misbranded the article by virtue of the fact that the Pittsburgh mill did not send him the proper steel. Working on back, where would the responsibility be there, on the New Haven manufacturer?

Mr. ROGERS. The responsibility on the part of any person for selling misbranded articles is removed only if he can bring himself under the provisions of section 13 of this bill which provides that he must have "a guaranty signed by the manufacturer, wholesaler, or other person residing in the United States from whom he purchased such goods or articles to the effect that the same are not misbranded, misrepresented, or falsely described within the meaning of this act, designating it." Of course, the guaranty can be in any form. The section also provides that, "Such guaranty may be general, covering all sales by the guarantor to such dealer or other person, or special, covering a particular sale, and in such case may be embodied in the contract or invoice of sale or in a separate instrument. Such guaranty, to afford protection, shall be relied upon in good faith by the dealer or other person and shall contain the name and address of the person making the sale of such article to such dealer or other person, and in such cases such guarantor making the sale shall be amenable to the prosecution, fine, and other penalties which would attach in due course to the said dealer or other person under the provisions of this act." Then there is a proviso which I think might possibly—

Mr. DEWALT (interposing). Right there, if I may be permitted. Would the provisions of your proposed bill cover the case of the manufacturer of this steel in Pittsburgh, and would he be guilty under the provisions of this act if he furnished to the New Haven man this steel, which, in fact, did not meet the requirements, as he sets them forth?

Mr. ROGERS. No; this bill certainly does not reach the Pittsburgh man, unless he misbranded or misrepresented the goods.

Mr. DEWALT. Do you not see the harm that is suggested by Mr. Winslow that the New Haven man would suffer for the fault of another?

Mr. ROGERS. It is perfectly clear to me that the New Haven man should not be held guilty in the case cited.

Mr. DEWALT. Then your guaranty feature in section 13 would not cover this case because he could not get the guaranty from the Pittsburgh man.

Mr. ROGERS. I am inclined to think that Mr. Winslow's case suggests a situation which ought to be cleared up in section 13.

Mr. WINSLOW. To run it out still further and show the complications. There undoubtedly will be a retail dealer and perhaps a jobber in between the manufacturer and the consumer or the user of the chisel. So these men might all be subject to the provisions of the bill when it really would not be the fault or intention of any one of them in respect to the bad quality of the article.

Mr. COOPER. One question on that point. Is it not a fact, Mr. Rogers, that when a manufacturing firm buys a certain grade of steel from the steel industry that the tempering of that piece of steel is not done at the steel mill but it is done at the factory where they make the chisel, for instance, and they have their chemists there to test it and find out what kind of steel it is? Surely the steel plant does not manufacture the steel and temper it up for high-grade tools; the tempering is all done at the factory where the chisels are made.

Mr. ROGERS. I take it that Mr. Winslow is supposing a general case where in violation of a contract a steel company or some other company sells to its co-contractor goods which are not according to contract. Then the purchaser, who has no way of knowing that the goods are not in accordance with the contract, in good faith manufactures other articles out of that raw material which he sells to the industry without knowledge that the articles may in fact have been misbranded by him.

Mr. COOPER. In other words, the point I want to make is this: This man who uses the steel for tool purposes ought to know whether it is good steel, whether or not it is the proper kind of steel, and he ought to find that out before he puts the articles on the market.

Mr. ROGERS. In that specific case you may be right; but it seems to me that in the general principle which was suggested by Col. Winslow's query there may be a difficulty which ought to be cleared up.

Mr. WINSLOW. The inquiry is, perhaps, more important than you realize. The fact is that probably there would not be one manufacturer of steel articles in a thousand in the United States who has the facilities of a chemical laboratory. Some of the big ones have, but very few. A man who buys in a small way, or in a reasonably large way, puts his confidence in the rolling mill and trusts to their laboratory and their knowledge in the turning out of the proper kind of steel. When a man who manufactures and turns out articles—takes the chisels, for instance—which are in many cases sold on a close margin, they do not have a man there with testing facilities to test every chisel that goes out of that place. They can not do it. The truth is that they take the steel that comes to them and run that through under a treatment which will bring out the proper degree of hardness if the steel is of the correct quality. I think my friend, Mr. Cooper, will admit that that is a fact.

Mr. COOPER. The manufacturer of that chisel knows he is going to be held responsible for the article, whether or not it is good or bad,

and if he is indifferent, if he does not have the right kind of men there, it is up to them to see whether it is the right kind of an article; surely, it ought not to be up to the manufacturer of the steel.

Mr. WINSLOW. Technically, I think you are correct. But we have to consider the practice of the art as it is really carried on and known among those who carry it on. I think you would find that you would run up against a snag immediately in undertaking to cover such a point as I mentioned, which would require a chemical analysis in every mill using that steel.

Mr. COOPER. I mention that for this reason. I have had some experience with steel, and a very dear friend of mine, my father-in-law, was a temperer of steel. I believe I am correct when I say it is absolutely up to the man who tempers the piece of steel and makes the article. It is not the steel as it comes from the steel industry that produces the finished article.

Mr. WINSLOW. Then, in that case, Mr. Cooper, you would hold the man who makes the chisels guilty and you would hold harmless the other man who furnished him the improper steel?

Mr. COOPER. I hold this, that he is in the market making chisels and tools and selling them and he ought to be in a position to know whether it is a reliable product, whether it measures up to the standard upon which he is selling it.

Mr. DEWALT. Is it not true that the manufacturers of steel—take the instance I have in mind, of the Bethlehem Steel Co.—manufacture a grade of steel which is for tool purposes?

Mr. COOPER. Yes.

Mr. DEWALT. They call it tool steel.

Mr. COOPER. Yes.

Mr. DEWALT. When the manufacturer of these tools buys the material from the Bethlehem Steel Co. does not the Bethlehem Steel Co. give to him the number of carbon points in that steel which are generally considered necessary for the manufacture of such articles; is that not true?

Mr. COOPER. I believe it is; yes.

Mr. DEWALT. If that be so, does not the man who manufactures the chisel have the right to depend upon that, and if he is deceived in it, then according to the provisions of this bill he does not have any remedy for it except in his action for damages; and yet by the provisions of this bill he may be criminally liable; is that not so?

Mr. COOPER. There are lots of cases, Mr. Dewalt, where you and I probably would be liable if we depended upon some one else.

Mr. DEWALT. That is true.

Mr. ROGERS. Of course, supplementing your suggestion, Mr. Cooper, the New Haven man in this case does not have to put the description of "pure steel" or "hardened steel," or whatever the trade expression may be, on any article that he is not sure about. If there is any doubt of it the remedy is in his own hands. He can either find out just what it is or omit a questionable characterization of the article.

Mr. DEWALT. Yes; but in the meanwhile he loses the benefit of the very fact that he would depend upon hardened steel of such a character—

Mr. COOPER (interposing). This is possible, that I, as a manufacturer of tools, might buy some tool steel from the Bethlehem Steel Co.,

and through some carelessness of mine or the employees of that factory that steel may not measure up to the standard, because the tempering is done in the factory where they make the articles, and surely you could not hold the Bethlehem Steel Co. responsible for something that has taken place in the factory I owned after I had received the steel.

Mr. WINSLOW. That is not the point. If that claim were made on the Bethlehem Steel Co. they would say, "Give us the steel, and we will harden it, and show you how it can be done."

Mr. MERRITT. Suppose you wanted point 5 steel and your order called for point 5 steel and Bethlehem gives you point 3. Where is the responsibility going to be there?

Mr. COOPER. That is up to the people who buy the tool steel. They have their chemists.

Mr. MERRITT. Perhaps they have not.

Mr. COOPER. Then, if they have not they are not a very big firm.

Mr. ROGERS. I should like to go a little further with this discussion. I am not at all sure that Mr. Winslow's point does not require so much attention in this bill; but on the other hand, section 9 of the pure food act, which has been operating pretty well for about 14 years, has no such protection as that suggested by Mr. Winslow. That section says:

That no dealer shall be prosecuted under the provisions of this act when he establish a guaranty signed by the wholesaler, jobber, manufacturer, or other person residing in the United States, from whom he purchases such articles, to the effect that the same is not adulterated or misbranded within the meaning of this act, designating it. Said guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of such articles to such dealer, and in such case said party or parties shall be amenable to the prosecutions, fines, and other penalties which would attach, in due course, to the dealer under the provisions of this act.

Mr. DEWALT. That, however, Mr. Rogers, refers, does it not, to the resale of the article which is already branded by the original manufacturer, and you admittedly say the provisions of your bill would not cover the case of the steel manufacturer, and therefore this guaranty feature could not apply.

Mr. ROGERS. It would not cover the case of the steel manufacturer unless he misbrands the goods in some way. Of course, it is possible that the intermediary, the New Haven man in this case, could protect himself by demanding some sort of a guaranty from the steel manufacturer. But we all know it might be difficult to obtain such a guaranty, and it might clog legitimate business if it were insisted upon.

Mr. WINSLOW. Suppose the invoice of that steel read point 5 carbon. In that case the manufacturer of that particular consignment of steel would be held liable, if it were not point 5 steel?

Mr. ROGERS. Under section 13, as it stands, perhaps he would not, because the offense is made for misbranding, misrepresentation or false description. There is a question whether a statement on an invoice would be deemed to be comprehended within any one of these three terms. It is very simple to change the bill so as to include it, but I am not quite certain—

Mr. WINSLOW (interposing). In a court action do you think that would be fair evidence of something wrong?

Mr. ROGERS. It might not be evidence of something wrong, but instead evidence that these articles do not live up to the statement. There would have been a breach of contract; but my question is whether, under the provisions of this bill, that kind of a transaction involves misrepresentation or false description.

The CHAIRMAN. If the suggestion made by Col. Winslow appeals to you you might suggest an amendment to the bill to that effect.

Mr. ROGERS. I should like the privilege of trying to draw up a modification of section 13.

The CHAIRMAN. Are there any other phases of your bill you want to call to the attention of the committee?

Mr. ROGERS. There is just one other matter I would like to call your attention to, and that is in connection with the fourth subdivision of section 5, which provides—

If there is published, issued, or circulated concerning, regarding, or in any manner pertaining to said article in any newspaper, magazine, book, pamphlet, circular, or other publication, or advertisement, any false, fraudulent, misleading, or deceptive words, statement, representation, symbol, design, device, or trade description as to any of the matters or things stipulated in the foregoing subsections of this section—

such an article shall be deemed to be misbranded or misrepresented.

As it stands, I am not quite sure that that subsection 4 is constitutional. It seems to me something of the kind is desirable if we can manage it, because we want to eliminate false advertising and false trade representation of all kinds as well as that which is annexed physically to the actual article itself. In other words, I think we ought to prohibit fraudulent advertising, and that this is the place to do it. On the other hand, we can not expect to phrase the law so as to make it unlawful for the newspaper to publish these fraudulent or misrepresenting statements, and a newspaper can not be expected to guarantee the soundness and truthfulness of every statement that appears in its advertising columns.

I think, however, that we can legitimately hope to make false advertising on the part of the advertiser an offense.

The question is whether as the subsection stands it comes within any of the constitutional powers of Congress to enact into law. I think if it is not deemed to be constitutional in its present form, it can be made so by specifically putting the interstate commerce feature into the language, or, perhaps, by bringing it under the post-office clause of the Constitution, exactly as was done in the case of the Reed amendment of 1917 relating to the circulation of newspapers containing alcoholic advertisements; except, of course, that in the Reed case the offense was committed by the newspaper itself as well as by the advertiser. It would not be my view that we ought to impose the burden upon the newspaper to scrutinize and guarantee the accuracy of every statement in every advertisement.

There is one other point I want to refer to, and that is that this bill is not intended to cover this kind of a case: Where a manufacturer of shoes or of watches is in the habit of having some one else manufacture for him shoes or watches and then either affixing himself, or having his manufacturer affix for him, his own trade name or description. The Ingersoll watch is a familiar case. I understand the Ingersoll watch is oftentimes not made by the Ingersoll Co. I do not think that is a fraud upon the public. I do not think it does the

public any harm, and I think it frequently does the public a great deal of good. Therefore, I do not believe we ought to legislate against it; I think it would be a great hardship to honest dealers.

This bill, in the definitions in section 5, section 6, and elsewhere, is not intended to comprehend such cases. If it is thought that under the language of the bill it does cover that kind of a case I say this simply that it may be realized that it was not the intent of the author of the bill.

In conclusion, gentlemen, this bill simply extends to all commodities the protection for the public held out by the pure food and drug act, and by the insecticide act of 1910. It follows closely in principle the British merchandise marks act. I do not believe it imposes any hardship upon legitimate business. I think its only effect will be to drive the shyster out of the misbranding game and thereby to protect the public.

Mr. MONTAGUE. I did not have the pleasure of hearing the first part of your statement, and you may have covered the point which I have in mind. How far do you follow the British merchandise marks act, or the act relating to misrepresentation, in the text itself.

Mr. ROGERS. The spirit of my proposition is identical with that of the British merchandise marks act and much of the language is identical, although wherever I could I preferred to follow the analogy of the pure food and drug act, because that has been tested in our courts and has worked well.

Mr. MONTAGUE. Wherever you have adopted anything like the language of the British merchandise marks act, of course, there are perhaps adjudications that can be referred to for construction.

Mr. ROGERS. Of course, that is true also of our statutes of 1906 and 1910.

I want to thank you, Mr. Chairman and gentlemen of the committee, for allowing me to present my views this morning, and I am very much obliged to my friend, Mr. French, for giving way to me.

The CHAIRMAN. Mr. French, you have a bill before the committee, H. R. 11641, and we will be glad to hear you in regard to that bill.

STATEMENT OF HON. BURTON L. FRENCH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO.

Mr. FRENCH. Mr. Chairman, I wish to give an outline analysis of my bill before I shall conclude, but I prefer this morning to confine my remarks largely to the general principles involved in the proposed bill and not go into detail touching the administrative features, as I think that is a matter that will logically follow the presentation of the general subject.

I appear here this morning, Mr. Chairman, in behalf of H. R. 11641, which has been designated as the "Truth in fabric law."

There are several other bills pending before the committee. You have heard in regard to one of them, the Rogers bill, originally introduced as H. R. 13037 and later as H. R. 13136. Two other bills have been introduced in Congress bearing upon the subject from the angle approached by Mr. Rogers, the Barkley bill, H. R. 2855, referred to this committee, and the Kreider bill, H. R. 9283, referred to the Committee on the Judiciary. All of these bills have one common line of thought. They all seem to be based upon the theory of the British

merchandise marks act. Those bills are not at all in conflict with the truth in fabric bill that I am asking you to consider. If anything, they could be said merely to supplement it. They are not essential to the enforcement of the truth in fabric measure, nor is the truth in fabric measure premised at all upon the passage of either of those bills.

I would say that in a general way I am in favor of the principle outlined in those several bills, the Barkley and Rogers bills being more elaborate as to detail, the Kreider bill being a shorter bill outlining the same subject.

Two other bills have been introduced that approach the subject that is considered by H. R. 11641 from the same point of view, the Rainey bill, H. R. 11891, which has been superseded by H. R. 13111. I would say this second bill of Mr. Rainey is identical with the first, with the exception of about half a dozen words, as I have discovered from running over the two bills together. The bill of Mr. Rainey seeks to enforce the branding of woolen fabrics or fabrics made in part from wool and other materials, if the same shall be offered for sale in a Territory or the District of Columbia or entered into interstate commerce. The bill I have introduced seeks to do the same thing. The bill I have introduced, however, is, I think, quite comprehensive in defining the terms used and in providing for administration. The first bill of Mr. Rainey groups the ingredients of a wool or part wool fabric under the heads "All wool, shoddy, cotton, and silk." The second bill of Mr. Rainey eliminates the words "all wool" and substitutes therefor the words "virgin wool" and "reworked wool." The bill I have introduced, "truth in fabric," provides "That every manufacturer of woven fabrics purporting to contain wool, and of garments or articles of apparel made therefrom, within any Territory of the United States or the District of Columbia, shall, before offering such fabric or garment or article of apparel for sale" in interstate commerce come under the law, and in offering the articles for sale that are made of wool or part of wool shall distinctly have the same branded to show approximately the content of virgin wool, of shoddy, of cotton, of silk, or of combinations of those ingredients.

The bill provides that those engaged in this business shall have registration numbers under the Government. It provides further that the Government in enforcing or administering the law shall have access to the establishments of these concerns, to their books, to their manufacturing plants, to everything that would be helpful to the Government in knowing whether or not the law is being carried into effect. It provides suitable penalties for violation of the law, including imprisonment and fine, and provides for the withdrawal of the registration number from the person engaged in business under the law who may violate the same. It provides also for the time when the law shall go into effect.

Mr. Rogers presented to you this thought in opening his statement, "A man has the right to buy what he wants to buy." I am glad to take that as my text in urging the bill I am presenting to you. "A man has the right to buy what he wants to buy."

The object of the "Truth in fabric" bill may in a general way be said to be two-fold; first, to curb profiteering, and second, to aid production. The latter subdivision may be divided into (a) production of wool, and (b) production of flesh.

The bill has been introduced in response to a public sentiment that has, you might say, four different groups of people back of it. The first concrete bill presented in an American Congress covering somewhat the thought in this bill is the one presented by Congressman Grosvenor in, I think, the Fifty-seventh Congress; but it was phrased so that it rested upon a license or taxation feature, and was referred to the Committee on Ways and Means.

The CHAIRMAN. That was in 1902.

Mr. FRENCH. Gen. Grosvenor introduced the bill in the Fifty-seventh Congress and later in the Fifty-eighth Congress, and since that time the idea in one way or another has been presented by numerous Members of Congress. During the last four or five years the war has overshadowed public sentiment on this subject. Those who have felt the necessity of the measure have willingly and gladly given way to the more important problems that confronted our country in the winning of the war.

Now, however, the subject is being urged upon the Congress. Those who are pressing the passage of this measure are:

First. The woolgrowers throughout the country.

They are urging the passage of this measure, in brief, for the reason that one of the commodities they produce, wool, is being competed with by the rag pickers and the shoddy dealers throughout the United States, and necessarily to the disadvantage of the wool-growers.

Second. It is being urged by retail merchants throughout the United States. I have a copy here of resolutions passed by the Retail Merchants' Association of the State of New Jersey. A similar set of resolutions has been adopted by the Retail Merchants' Association of the State of Missouri.

Mr. JONES. Is there any burden placed upon the retail dealer in your bill?

Mr. FRENCH. I would say this, there is a burden placed on the retail dealer, and the law looks to him to see to it that he has a guaranty from the concern from which he makes purchases, touching the contents of the article, and if he does that that is all the burden placed upon him.

Numerous other merchants throughout the country have also expressed their ideas along the same line.

Third. The measure is being urged by certain woolen manufacturers in the United States who themselves are engaged, or who desire to engage, in the production of virgin-wool fabrics, but who are to-day under a handicap by reason of the fact that other manufacturers are producing what are called all-wool goods, which in common parlance means about the same thing as virgin-wool fabrics, and are competing with them and consequently to the disadvantage of those who are manufacturing virgin-wool fabrics and selling them to the people of the country.

Fourth, and largest of all, the bill is being urged by an exceedingly large number of people and an increasingly large number of people throughout the United States typified by the cartoonists as the innocent bystander, or the common people, the great body of men and women who are the purchasers of all kinds of wool and modified wool fabrics throughout the United States.

These people are urging the passage of this bill for the reason that they should not be humbugged when they purchase an article, for the reason that they should know the contents of an article when they purchase it, for the reason that they are being charged exorbitant prices for articles masquerading under the guise of wool, and probably all wool, in fact, but, which as a matter of fact are articles that have been reworked and made of materials worked over and over again and that compete with virgin-wool articles that are upon the same shelves of the same merchants who charge prices not materially different in many cases.

Mr. COOPER. A few moments ago I understood you to make the statement that they are making cloth out of rags that rag pickers are gathering up all over the country.

Mr. FRENCH. Let me come to that in a little bit.

Mr. COOPER. If they are doing that, I believe that accounts for some of the clothes of the quality we are getting these days.

Mr. FRENCH. I would say to the gentleman that that is lamentably true.

Mr. MONTAGUE. They have been doing it for a good many years.

Mr. FRENCH. They have been doing it for a good many years, especially since along about the middle of the last century. It has developed now into a great business. That is one of the things I want to come to and develop in my statement to the committee.

Mr. COOPER. I am interested in that.

Mr. FRENCH. Now, Mr. Chairman, let me present some reasons why this bill should pass. It is estimated that in the world there are approximately 626,759,000 head of sheep. I would like to ask permission to insert in my printed statement tables and figures touching upon what I wish to present to the committee. I am sure it will be helpful to the committee if I present an outline of the figures and omit at this time the detail figures, which I would like to insert in the record.

The CHAIRMAN. Without objection, permission is granted.

Sheep in world in 1913.

United Kingdom.....	31, 082, 461
Other European countries.....	148, 433, 976
Total (Europe).....	179, 516, 437
Australia and New Zealand.....	117, 011, 654
Asia.....	110, 058, 874
Africa.....	51, 429, 279
North America.....	59, 047, 680
South America.....	109, 693, 142
Total (world).....	626, 757, 066

World's wool production in millions of pounds.

[From Wool, by Frank Ormerod, 1918.]

Year.	United States.	United Kingdom (fleece washed).	Continent of Europe (fleece washed).	Australia.	New Zealand.	Argentina.	Uruguay.	South Africa.
1900....	288.6	141	450	409.4	156.2	439.6	89.2	40.0
1901....	302.5	138	450	543.1	164.0	379.0	89.9	76.0
1902....	316.3	136	450	413.3	167.4	435.6	89.1	89.0
1903....	287.4	133	450	414.1	177.6	437.4	108.0	77.0
1904....	291.8	132	450	473.6	179.4	385.1	89.1	75.0
1905....	295.5	131	440	522.1	171.7	377.4	86.8	77.0
1906....	298.9	130	430	577.7	189.5	379.6	89.7	88.8
1907....	298.3	131	420	690.1	207.8	357.6	98.5	97.8
1908....	311.1	134	420	642.2	200.5	392.4	111.6	104.3
1909....	328.1	142	420	718.0	223.9	401.2	127.4	130.9
1910....	321.4	143	420	.....	.....	327.2	124.8	121.7

THE DECLINE.

[From the Wool Industry, by Dr. P. T. Cherrington, 1916.]

The decline since 1910 is made clear when these figures are compared with the following table¹ which shows the computed world's wool production (including carpet wools) for the year 1914, the last computed figures not materially affected by the great war:

	Wool in million pounds.
North America.....	309
United States.....	290
South America.....	455
Argentina.....	264
Uruguay.....	143
Europe.....	799
United Kingdom.....	125
France.....	79
Spain.....	52
Russia (Europe).....	320
Turkey and Balkan States.....	90
Asia.....	273
British India.....	60
Russia (Asiatic).....	60
Turkey (Asiatic).....	90
Africa.....	207
British Africa.....	157
Australia (exports).....	632
New Zealand.....	194
Australasia.....	826
Total world.....	2,872

These figures represent a net decrease of about 8,000,000 pounds from the computed world's production of the year 1913. The principal decline appeared in the following countries:

	In million pounds.
United States.....	6
Argentina.....	60
Uruguay.....	14
United Kingdom.....	7

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(The Wool Industry, pp. 33, 44.)

¹ Condensed from table in Bulletin of the National Association of Wool Manufacturers, January, 1915, p. 59.

Mr. DEWALT. If your bill was passed do you think it would be necessary to pass the Rogers bill or the Barkley bill?

Mr. FRENCH. Mr. Dewalt, those bills provide affirmatively that if a man misbrands an article he shall suffer the pains and penalties of the law, but he may sell the goods without branding them at all without incurring any pains or penalties under either one of those bills.

Mr. DEWALT. I did not ask you that question. I just asked the concrete question, suppose your bill was passed, would it be necessary to pass the Rogers bill or the Barkley bill?

Mr. FRENCH. Not as regards the manufacturers of wool in the least.

Mr. DEWALT. Your bill relates only to wool?

Mr. FRENCH. It takes in wool and woolen fabrics, fabrics that contain part wool and garments made therefrom.

Mr. DEWALT. Does not the Rogers bill take care of that, too?

Mr. FRENCH. No. A man could sell, for instance, under the Rogers bill a garment, following the suggestion of Mr. Cooper, of reworked material that had been worn over and over again, which yet would be all wool. He could guarantee it as all wool. The innocent purchaser would assume it was wool fresh from the back of the sheep, and it would be "all wool" according to the guaranty, but the purchaser would be imposed upon. He would suppose it to be virgin wool.

Mr. DEWALT. Let me ask you another question. Do you think it would be possible and feasible to incorporate the provisions of your bill with regard to wool into the Rogers bill?

Mr. FRENCH. It would probably be feasible, and yet—

Mr. DEWALT (interposing). Point out the distinctive features, if you want to, the difference between your bill and the Rogers bill and the Barkley bill.

Mr. FRENCH. Perhaps I had just as well do that right here. The bills (Rogers, H. R. 13136, and Barkley, H. R. 2855) to which you have referred in a general way provide that if a person is guilty of misbranding he shall suffer the penalty provided in the act. That is all. A man, however, may sell, without branding at all, or by using a truthful but misleading name. Suppose the oleomargarine law were repealed, he might sell butterine as butter; he could call it butterine and would not be in violation of the law; he would not be calling it butter.

He could sell as all wool a garment that had been a coat at one time, that had been a suit of clothes at one time, or that had been a horse blanket at one time reworked into a suit of clothes and guarantee it all wool, and it would be true to his guaranty. Or he could omit the guaranty altogether and he would incur no penalties under the provisions of either of those bills. The bill I have introduced provides this, that if he engages in this business, he being a manufacturer shall make it his business to know, as he does know now, what the contents are of the fabrics he makes, and that upon each yard of cloth or each suit of clothes there shall be a mark indicating the amount of virgin wool, the amount of shoddy, the amount of silk, or the amount of cotton, or the proportion of each, approximately, in that particular piece of fabric, whether it is a yard of cloth or a suit of clothes. It provides affirmatively that he must brand. The

other bills do not provide that there shall be any branding, but if there is branding then the branding shall be true to what it professes

Now, to go on from where I was a moment ago, the number of sheep in the world to-day is approximately 626,757,000, and the number of sheep in the United States is approximately 50,000,000. Consider, then, my next statement: The amount of wool produced in the world, going back to 1914, before the World War, was approximately 2,872,000,000 pounds, which, not counting the people who live in the Tropics, is a sufficient amount of wool to provide a garment containing possibly 1 pound for every man, woman, and child in the world, or a 3-pound garment for every man, woman, and child of the United States and Europe. In the United States we produce annually approximately 300,000,000 pounds of wool and we import annually for manufacture approximately 250,000,000 pounds, making a grand total manufactured in the United States of approximately 550,000,000 pounds of wool.

. Mr. MONTAGUE. Sheep wool or goat wool?

Mr. FRENCH. For the most part, it is sheep wool. In addition to that, I will be glad to put into the record, if you like, the amount of wool used from different animals from goats, etc. I have the figures right here. In 1909 our manufacturers used 559,000,000 pounds of sheep wool and 39,000,000 pounds of other animal hair, the latter including noils or short hair from sheep.

Mr. SIMS. I understood you to say there are approximately 620,000,000 sheep in the world?

Mr. FRENCH. Yes. About 627,000,000.

Mr. SIMS. And there are about 300,000 of those in the United States?

Mr. FRENCH. No; 50,000,000 in the United States, and approximately 300,000,000 pounds of wool produced annually in the United States.

Now, then, if you will think of our population as being a little over 100,000,000 people and the total production of wool in the United States as around 300,000,000 pounds, that is less than 3 pounds of virgin wool for every man, woman, and child in the country, and if you include what is imported it is between 5 and 6 pounds apiece. When you think of the number of blankets, overcoats, and various miscellaneous articles into which the wool goes, the average for the American people is really a small amount in quantity in comparison with the demand. A suit of clothes requires approximately four pounds of virgin wool. A blanket would require at least that or perhaps more. That being the case, the manufacturer must draw upon substitutes. What are the substitutes? Oftentimes the substitutes are used because they are wanted. For instance, take cotton. We produce an immense amount of cotton cloth in this country and we use it extensively, because we prefer it, and for certain purposes it is more desirable. We produce an immense amount of linen cloth, because we prefer it for many purposes. So of silk, although silk fabrics are used in lesser degree.

There is, however, another source drawn upon by manufacturers to meet the demand for woollen fabrics. What is that other source? It is the rag pile. Discarded woollen garments and discarded pieces of woollen fabrics are now collected constantly and used over and over again in the manufacture of new fabrics.

Yesterday morning, as my wife and I were at the breakfast table I heard the ringing of the bell of a man as he drove down the alley, and the man was calling out, "Old rags; old rags." You hear him every day. Fortunately, we heard it just yesterday morning, and having in mind this hearing, I said to my wife, "I am going to call the committee's attention to that. In a few weeks I will be able to go down town and buy a brand new all-wool suit of clothes made out of those old rags collected this morning."

I have here a copy of a statement that was made in a trade magazine in Boston called "Fibre and Fabric," and this is the statement:

"* * * in some of the most fashionable imported goods that our so-called exclusive dressers must have, the shoddy content is greater than virgin wool. Some of the best American-made goods offered the public are made up of scientific mixtures of virgin wool and shoddy. * * *"

Mr. Chairman, the term "all wool" has the popular meaning of virgin wool. At one time this was a very true meaning. To-day, it may be true or it may not be true, and as I proceed I shall show the process by which wool fibers may be reclaimed from fabric time and time again, the wool by reuse makes the guarantee—all wool—mean absolutely nothing so far as the question of whether or not the wool has been used for the first time in a garment or fabric, or whether it has been used the sixth or tenth time in such garment or fabric.

I pick up a few advertisements at random. These advertisements appear in several of our metropolitan daily papers and they are similar to the ads that are appearing in all the daily papers and in our weekly publications throughout the United States.

Here is an ad which says:

New wool dress goods that are here under a number of new names, etc. Guaranteed all wool. Where else can you find a strictly all-wool fabric for this low price?

Here is another:

Suits, just one or two of a kind, in stylish all-wool materials.

I pick up another:

Six lines of most wanted wool goods of the season—all-wool velours, etc.

Yet in the foregoing there is not one thing to indicate whether or not these garments have been made from wool fresh from the back of sheep or from wool that has served its purpose as blankets, ladies' dresses, suits of clothing, underwear, etc., numerous times before.

Here is another ad:

All-wool spring suits—men's conservative models.

And here is still another:

What's the thing to do about clothes this spring? Every man knows that clothes are high priced. And that poor ones cost about as much as the good ones. What's a man going to do who wants to make his money go the farthest?

There's only one thing to do. Buy good all-wool clothes. Pay the price to get them. They'll save your money because all wool wears longer. You won't have to buy so often.

I have purposely omitted giving the names of the papers and the names of firms advertising. I give these ads as merely typical ads of how the interest of the public is solicited toward "all-wool" garments. The public is led to believe that "all-wool" garments are superior, are better than garments that are not all wool. There

is nothing in any of the advertisements that I have read that suggest whether or not the garments referred to, or the fabrics advertised are virgin wool or shoddy—they may be all virgin wool for all that I know, they may be all shoddy for all that I know.

The fact is, many merchants, themselves, do not know; and the public does not know.

Now, I have no objection, as I shall show later on, to the use of this reclaimed material. Permit me to say I think it ought to be reclaimed, that all these old rags and old garments that can be used over and over again ought to be so used. But that is not the point. We will come to that later. I have here a table I want to insert in the record in full.

Raw materials used in woolen goods and worsted goods branches of the woolen industry, 1909.¹

	Million pounds.	Value, million dollars.
Total cost.....		\$273.40
Wool in condition purchased.....	474.7	136.60
Domestic.....	310.6	85.00
Foreign.....	164.0	51.60
Equivalent in scoured condition.....	290.7	
Mohair, camel, alpaca, and vicuna hair.....	7.8	2.30
Other hair.....	17.8	2.90
Cotton.....	20.0	2.50
Tailors' clippings.....	40.4	2.80
Shoddy, mungo, etc.....	21.4	3.00
Waste.....	26.4	7.50
Tops purchased.....	20.8	14.60
Yarns, woolen.....	9	.50
Worsted.....	59.6	56.00
Merino.....	1.9	.30
Cotton.....	39.1	10.40
Silk.....	.2	1.10
Other.....	1.0	.04
Chemicals.....		8.80
All other.....		25.40

¹ Census 1910, Vol. X, p. 103.

This table shows that the amount of wool purchased in the United States for manufacture in the year 1909 was 474,700,000 pounds, and the amount of money paid for that wool was \$136,600,000. I drop down further in this same table and I find the amount of tailor's clippings purchased was 40,400,000 pounds and I find that the amount of money paid for those clippings was \$2,800,000. Notice the price. The 474,700,000 pounds of wool cost \$136,600,000, or approximately 28 cents a pound. That was, of course, about 10 years ago. Notice, however, that the 40,400,000 pounds of tailor's clippings cost less than \$3,000,000, or in other words about 7½ cents a pound. You can see how profitable shoddy is to the manufacturer who can use and cares to use the material.

Going further down in the table I find another item of shoddy, 21,400,000 pounds, at a cost of \$3,000,000. I find another item of waste, 26,400,000 pounds, at a cost of \$7,500,000.

In other words, you have practically 87,000,000 pounds of material purchased at a price running down to less than one-fourth the price paid for the wool that was manufactured into garments.

The quantity purchased yearly is approximately as indicated for 1909, and the prices bear about the same proportion.

Mr. DEWALT. What is the trade meaning of the word "shoddy" as compared with the term "virgin wool"?

Mr. FRENCH. Virgin wool is wool that has not been used before. Shoddy really is a word that has a rather wide meaning as it includes all reworked material. It includes fiber from old garments, scrapings and sweepings, fur, feathers, everything of that kind.

The CHAIRMAN. You define it in section 14 of your bill?

Mr. FRENCH. Yes.

We define the words as follows:

The term "virgin wool" as used in this act shall mean wool that has never previously been spun or woven into cloth.

The term "shoddy" shall include any material obtained from any fabric or clippings of cloth of any fiber whatever, or secured from rags or from used apparel of any description, or any fiber that has been previously spun or woven into cloth, as well as wood, hemp, jute, flax, and hair fiber not properly classed as wool of any description and from whatever source obtained, also fur, feathers of every description and from whatever source obtained.

Mr. MONTAGUE. What is mungo?

Mr. FRENCH. That is a term applied to the short or coarser fibers. We are going to have experts in the wool business to explain all those things, but as I understand it the word is nowadays applied to low-grade shoddy. It is usually made from the hardest woven woolen and worsted fabric.

Mr. JONES. It is your idea that by enacting this bill into law covering these things to be branded the manufacturers would not buy this other material and exercise this conservation, but will be forced to buy virgin wool?

Mr. FRENCH. No; I think not. I think, on the other hand, the manufacturer will buy these same materials and virtually continue this same conservation of the discarded materials that there is now, and the demand of the world is such that it must continue. But on the other hand, the manufacturer will not be permitted to charge a virgin wool price for the shoddy article. And you can to-day, Mr. Jones, purchase enough shoddy to make a suit of clothes for \$2, and you can purchase enough fine wool for the same suit for \$8. Your shoddy suit will look approximately as good as the all-wool suit and will cost the innocent purchaser approximately the same price.

Mr. MERRITT. Is anybody using all virgin wool for that purpose now?

Mr. FRENCH. There are certain manufacturers.

Mr. MERRITT. How do they prosper?

Mr. FRENCH. They are prospering, but they are obliged to compete with people who are selling goods made up of stuff that has been reworked over and over again.

Let me call attention right here to a practical illustration on the point Mr. Merritt was asking about. The other day in talking over this question with a Member of Congress, sitting in the House Chamber, I said, "Suppose you were to go down to your tailor and order a suit of all-wool clothes. You would pick out your piece, and you would have a suit made and you would pay an all-wool price for it. After you had worn it a month you would discover it was not standing up under wear, and you would begin to inquire and you would find that notwithstanding the fact that the tailor had guaranteed that it was all wool, you discovered that in part it was virgin wool but in

part made from fibers of reworked material from old blankets, suits of clothes that had been discarded, underwear—that in fact considerable fiber had been worked over and made into the garment that you bought.

I said: "Would you feel that the merchant tailor had imposed upon you." He said: "I would."

I went to another Member of Congress, and I went over the same proposition with him. I said: "Would you feel that the guaranty had been complied with?" He said: "No, I would not."

Well, I outlined to both of those Members of Congress that the garment might be true to guaranty; and they recognized that the cloth might be called "all wool," notwithstanding the fact that the wool in it had been used over and over again.

I made the same proposition to another man—a young man about 32 years of age, a college graduate, a lawyer by profession, a man who dresses well and could be called fastidious in his tastes. When I had concluded with the proposition, I said: "What do you think?"

He replied: "Well, I would think that the tailor had put one over on me."

That was his spontaneous reply, and he told me that he had never thought of checking up on a garment to see whether or not it was virgin wool or shoddy.

MR. JONES. You do not believe, then, that the principle of caveat emptor should apply in that case?

MR. FRENCH. I will tell you what I think about that. If you were to put two bags before a manufacturer, one containing wool from the sheep's back and one containing rags from the rag picker, and tell him that they were both "all wool," do you think that he would purchase them at a common price? Do you not think that he would insist upon opening the bags and seeing what they contained and paying the price of rags for the rags and the price of virgin wool for the virgin wool?

A wool which is worked over and put into a garment is as much disguised to the average buyer as the wool in the bag would be to the manufacturer if he could not look inside the bag before he purchased the goods.

Let me continue and give a few more illustrations: I thought that our wives, the ladies of our country, might be experts on this matter more truly than the men folks. So I submitted this proposition to three ladies whom I met in a group. When I submitted the proposition to them, they spoke up and each one of them said: "Of course, we would be imposed upon; of course, the guaranty was not complied with."

Then I explained what all wool might be and that possibly the garments that they bought might be all wool; and they admitted that. And I said to them, "I am going to use your statements before the Committee on Interstate and Foreign Commerce of the House of Representatives" in urging "Truth in fabric" bill; and one of the ladies spoke up and said: "Tell the committee that we are ladies of average intelligence." And I am here to tell you that they are ladies of average intelligence. More than that, I say that they are ladies of more than average intelligence; and they have a better insight into purchasing such goods than most of the people in our country have.

Mr. MERRITT. How do you define "average intelligence" in your bill? [Laughter.]

Mr. FRENCH. We tried to make it so that it would apply to every man in this country; so that even the wayfaring man would not be misled by it.

Mr. JONES. You think, if this committee understands it, it will be all right, do you? [Laughter.]

Mr. FRENCH. I have no doubt that when the committee frames it up, it will be all right.

Now, I can give you another example: I made the same proposition to the wife of an Army officer, and after she heard it she said, "No; I suppose I could not feel that I had been imposed upon." She said, "I suppose I might have thought that the garment was made of shoddy."

Then I considered the reason: What was the reason that made the wife of the Army officer see the point at once, that all wool may be shoddy, when two Members of Congress (and I will not guarantee as to their intelligence; their constituents have done that) and those three ladies who assured me that they were of average intelligence, and who, I can assure, you were of more than average intelligence, could not see the point at all?

What was the difference? I think it was this: The Army purchases garments, not with its eyes shut. It must know something about the fabric, whether it is shoddy, or whether it is virgin wool, or what percentage of either shoddy or virgin wool goes into the different garments that the Government buys for its soldiers. Here was the wife of an Army officer, and here was a subject that had been talked over by her at the table with her husband over and over again, and she was, as the boys say, "wised up" on the proposition; and she knew that she had to ask another question besides whether or not the garment was all wool; that she had to ask the merchant, "Is it virgin wool?" and if he met that test she was then safe in relying on his guaranty; and on the other hand, if he said, "No; it is not virgin wool," she could draw her own conclusions as to the number of times the same fabric had been worn, in one way or another, by other people preceding the time that she bought the article.

Let us go a little further: I told you that those articles of apparel that will find further use in trade are gathered up, as suggested by the call of the rag-picker—and here I want to answer the question of the gentleman from Ohio, Mr. Cooper:

Early in the last century, in England and later in Germany, processes were developed by which articles of fabric could be, you might say, unraveled, the cotton separated from the wool, and the wool separated from the cotton. It was rather a crude process; but that process that was begun at that time has been developed, until to-day it is a very fine art; and the work is greatly extended in all manufacturing countries where woollen goods are produced.

For instance, these goods that were collected by the ragman yesterday morning will be hauled to a central depot, and they will find their way to the manufacturers who use shoddy. These goods will be first assorted in a general way, according to colors; they will be assorted according to the particular contents; for instance, a

loosely woven garment, or a loosely woven blanket is much more usable than a finely woven garment or blanket; and a white or undyed garment or blanket is vastly more usable, from the standpoint of the shoddy manufacturer than one which is colored, because the manufacturer can use the fibres of which it is made for a greater variety of purposes than he could articles that have been dyed.

About the middle of the last century, chemical developments were made that would enable the cotton and the wool to be separated by processes that rendered old materials of immense economic value. I am not going into details as to that. But assuming that the garment was a coat, the cotton lining would be cut out and thrown into one pile with other cotton or mostly cotton material, and the wool would be thrown into another pile; the buttons would be eliminated and all trimmings taken off. Then the fabrics may be carbonized, as it is called, so as to eliminate whatever contents you desired to eliminate. Suppose that cotton is very high in price and wool is very cheap, or suppose the article contains a great deal of cotton, and a little wool; you could put certain chemicals into a vat and make a solution, and put your mixed cotton and wool into the solution, and by a process that is very well understood by the manufacturers, you could "rot out," you could carbonize the wool; you could carbonize every animal tissue that is in that vat, and you could take up your fabric, and your cotton would be there almost uninjured by its bath, or by the process through which it has gone. Again, since we are considering wool, you can take a fabric that is half cotton and half wool—you can put that fabric into the vat, but you would use a different kind of solution. Then, by raising the temperature of that solution to the proper degree—and I will say that all of these processes are well known to the manufacturers—in a short time the cotton will be disintegrated; it will be "rotted out;" it will be carbonized, as they call it; and you can take up the article that was once a blanket or a suit of clothes that was part wool and part cotton, and you can have a fabric before you that is all wool, but it is filled with the dust or the rot of the cotton fiber that is in it. I will not go into that in further detail.

To continue, the contents of the vat, the liquid that they use is run off and saved because it is valuable, and it is used over and over again.

Then these rags must be dried and baked, and that is done; and then, after that, the fabric is dusted.

You could take the blanket after it has been dried and pound it with a carpet beater and drive out the dust. That would be a crude way of doing it; but in the big establishments they have there regular parts of the factories where all of that work is done, and these rags are whipped and pounded by machinery until all of this extraneous stuff is removed.

And then the fabrics are washed, and then they are dried and stripped, and colors are removed or other colors are added, so as to make the particular content of reworked material so that it can be used in any particular way in manufacturing.

After that, you still have your rags. Of course, the cotton parts are eliminated. The rags are then put into another machine for picking and shredding, and here they are torn to pieces and converted into fiber of varying degrees of length and quality.

I have hurried through the description just in the brief manner of a layman. I am not technically informed on the subject. I have given just an outline of the way that old rags which were collected around the city yesterday morning, for example, will find their way into the fabrics of which clothing can be made. Some rags do not need to go through all the processes I have described, as for instance all wool rags might not need to be carbonized.

There is another process that the fiber is taken through, and that is oiling. I omitted to speak of that. But, of course, you can imagine that the fibers, after being subjected to the treatment I have outlined, would be deprived of a great deal of the natural oil that the virgin wool has; they have been deprived of a large part of their natural oil by the wear that they have received. So the oiling process becomes a very serious and important consideration.

Now, that we have the fibers drawn out, they are assorted, so that you can have your longer fibers that you can use where longer fibers are desirable, and you have the shorter fibers for use where shorter fibers are desirable; and then, again, you have some fibers that are little more than dust that can be made into felt or the cheapest fabric.

Now, you say, of course, that fabric can not be as good as fabric from wool fresh from the sheep's back. Of course it is not. It has suffered by wear; it has suffered by age; it has suffered by cutting or breaking; it has suffered by the reclaiming process to some extent. The chemicals, the heating, the tearing and shredding and handling, all have combined to weaken the fiber. Yet it is wool and it is "all wool." It has its legitimate use and in our economy we should not hesitate to reclaim all these materials and make them of the greatest service.

Mr. SIMS. Rags are often used for making paper, are they not?

Mr. FRENCH. Yes.

(Thereupon, at 12.15 o'clock p. m., the committee took a recess until 2 o'clock p. m.)

AFTER RECESS.

The committee reassembled at the expiration of the recess.

The CHAIRMAN. You may proceed, Mr. French.

STATEMENT OF HON. BURTON L. FRENCH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO—Resumed.

Mr. FRENCH. Mr. Chairman, when we took a recess, I was just finishing a statement touching the reworking or reclaiming of discarded wool and partly woollen fabrics. I showed, that to a very large extent, the woollen fabric that enters into manufactured articles to-day is derived from waste materials that are collected and that are handled by the processes that I have outlined, and the fiber finally finds its way into the establishment and is used over again for other manufacturing purposes.

Let me draw your attention, then, to the extent to which this is done. I have already called attention to one particular year showing the amount of different discarded materials that had been purchased and reworked.

I have now in my hand a statement that has been prepared, showing the amount of wool used in manufacturing woollen goods, and also the amount of rags and shoddy, animal hair yarn, and hair noils, woollen waste and noils, etc., used in the manufacture of woollen goods during a period of 50 years.

Beginning with 1869, 219,000,000 pounds of conditioned wool were purchased by the manufacturers—

The CHAIRMAN (interposing). What do you mean by "conditioned"?

Mr. FRENCH. That, I think, is raw wool, and as I understand, it is washed wool. Some of the other gentlemen here can tell you better than I can.

Mr. CLARK. I think that means wool in the condition in which it was purchased, if you have taken that from the census statistics.

Mr. FRENCH. I am taking this from a very splendid volume on the wool question by Dr. Cherrington, of Harvard University.

Mr. CLARK. He is right here now.

Mr. FRENCH. I know he is here now. The statement I am referring to is to be found on pages 16 and 17 of "The Wool Industry."

In 1869, then, 219,000,000 pounds of raw wool were purchased by the manufacturers of woollen fabrics. That year the manufacturers purchased 19,000,000 pounds of rags and shoddy. I have already told you that the large use of processes for the reclaiming of rags and shoddy began to develop something like 15 or 20 years prior to this time or from 1850 to 1855.

In 1879, we find 296,000,000 pounds of wool were used against 52,000,000 pounds of rags and shoddy. I will insert the different figures showing the decades in between but will say now that in 1904, 500,000,000 pounds of wool were purchased, and 124,000,000 pounds of rags and shoddy.

In 1909, we find 559,000,000 pounds of wool were purchased as against 74,000,000 pounds of rags and shoddy.

The following table shows the quantity of the chief raw materials used in wool manufactories from 1869 to 1909:

Chief raw materials used in wool manufactories.

(In millions of pounds.)

Census of—	Raw wool in condition purchased.	Animal hair, hair yarn, and hair noils.	Cotton and cotton yarn.	Rags and shoddy.	Wool waste and noils.	Tops	Woolen yarn and merino yarn.	Worsted yarn.
1869.....	219	.....	42	19	.....	.....	12	1
1879.....	296	8	92	52	.....	.....	14	9
1889.....	372	27	159	61	23	.....	31	28
1899.....	412	36	279	75	26	5	47	40
1904.....	500	44	309	124	35	10	49	51
1909.....	559	39	384	74	43	20	39	80

The wool industry, pages 16-17.

Now, I can assure you that those establishments unquestionably use approximately the amounts indicated by the figures of the respective ingredients purchased in the several years indicated. Those figures indicate not only that there was a very large amount used of

rag and shoddy but they indicate that it is a growing amount. Going back to a period of 50 years there is shown an enormous increase in rag and shoddy used in comparison with the amount of wool used.

I have stated already, and I want to emphasize, that I am not opposed to the use of rag and shoddy in the manufacture of fabrics. It seems to me that it is one of the most desirable economic practices that we, as individuals or as a nation, could follow—that is, the encouragement of saving in every reasonable way which is possible of partly worn fabrics and the reworking of the materials into usable materials in some other form. The urging, then, of the passing of this bill is done upon the basis that it recognizes that shoddy has a rightful use. As I have already indicated, the total annual wool clip of the United States is not sufficient to produce the amount of woolen goods demanded by the people of the country, and the total amount of the wool clip of the world is not sufficient to produce more than a small fraction of the woolen goods demanded, year by year, by the people of the world.

This means, then, that wool must be used over and over again. Under this bill, if passed, we shall continue to have garments made of virgin wool and of reworked wool or shoddy. There are at present all gradations, fabrics from virgin wool to partly shoddy and partly reworked wool, down to fabrics made of nothing but shoddy or reworked wool, and what is more, it is very desirable that these shall continue to be. The people must have fabrics made of various kinds of wool, but there can be no reason that is sound that can be urged why people should not know when they are buying fabrics whether they are buying all virgin wool fabrics or fabrics made of shoddy, or, in other words, wool that has been used over and over again.

The world's supply of wool should be used again and again, but fabrics should be properly branded, so that people shall be able to determine immediately for themselves whether a garment is made of the material they desire to buy; whether it is made of virgin wool or whether it is made of reworked or mixed materials.

To say that the manufacturers of shoddy would lose by calling their products shoddy is to admit that they are now selling shoddy under false pretences; that is, under a false name.

It is just as honest and reasonable to sell oleomargarine as butter, or a concoction of water, albumen, and white powder as milk, as to sell shoddy as virgin wool.

In that connection, I must say that I have eaten oleomargarine time and again that I thought was much more desirable than butter that has, time and again, been placed before me; and if I could have had the choice of purchasing oleomargarine under the name of "oleomargarine" or "butter," such as it was, under the name of "butter," unquestionably I would have purchased the oleomargarine and counted myself in good luck to have had the opportunity to do so.

The point that we are urging is that the consumer, and, back of the consumer, the merchant, should be in a position to know the commodity that is purchased, whether or not it is virgin wool, whether or not it is shoddy, or, if it is mixed, in what proportion the virgin wool is mixed with the shoddy.

In connection with oleomargarine, to which I have referred, a few years ago we had that question to meet, and we met it just as we propose to meet this question. We recognized that it was not

a question of the health of our people. I think that no one seriously contended that most of the oleomargarine that was put upon the market for sale was in fact deleterious; and as a matter of fact, if we had chosen to do so, we could have provided that no oleomargarine, or anything else which was used as a substitute, should be deleterious to health, and still we could have let it be sold as butter. But we went further than that, and we said, "When you come to commodities, such as butter and oleomargarine, where you can not, by the ordinary test, distinguish the one from the other readily, it is the duty of the producer to stamp or brand his article so that it may be told."

The necessity for such a law as that does not apply to a multitude of articles where there can be ready differentiation made by the purchaser, whether the purchaser be a merchant buying direct from the manufacturer or a consumer buying from the merchant.

But, as in the case of the oleomargarine or butter, so, in the case of wool or shoddy, something must be done to protect the public so that the public will know what it is buying when different names are used.

I have already emphasized the fact that the words "all wool" mean one thing to the consuming public, very largely, while they mean an entirely different thing to the manufacturer of woolen goods. There is no manufacturer who does not know that all wool may represent virgin wool, or it may represent the reworked wool that has served one purpose, and then another and another, repeatedly, until finally it may be in an article that is competing with virgin wool—it may find itself as an ingredient of that article.

The manufacturer or the merchant may be honest in telling the public that the article is all wool. The public understands, however, that what he means is that it is fresh, pure, virgin wool from the sheep's back. It is because of that ambiguity in terms that the time has come when the public must be protected; and the time has come now, as I have already indicated, when that is especially true, since, as a result of the shortage of wool and the development of processes for reclaiming wool, so much of the woolen fabric does contain shoddy.

The truth in fabric law will confer great benefit on the people in that it will accomplish a twofold purpose—it will curb profiteering in woolen cloth and it will increase the production of virgin wool, two achievements most essential to the people's welfare.

The truth in fabric bill does not limit the use of substitutes. Under the truth in fabric bill the manufacturer is at liberty to use all the substitutes that he may desire and of any quality that he may desire. This bill merely protects the public by giving the people knowledge of the presence of the substitutes, or of the ingredients entering into the woolen fabrics.

The sale of a substitute without making its presence known does these specific things:

First, it deprives the people of their right to choose between the substitute and the genuine.

Second, it forces the people to buy substitutes, oftentimes against their will.

Third, it permits the seller to obtain the price of the genuine for the substitute, and thereby profiteer.

The sale of substitutes, without making their presence known, invariably abrogates the law of supply and demand; that is, it violates the economic principle and dislocates all economic principles, because the unrevealed presence of substitutes always does these several things:

First, the unrevealed presence of substitutes discriminates against the introduction and use of the genuine article. I might say that the spurious article always places the genuine article under suspicion. In a country where there is a great deal of counterfeit money, all money is under suspicion and must prove itself. In a country where there are goods called all wool, but some of which are virgin wool and others reworked material, so that they can not be differentiated by the common distinctions, there must be some legal requirement for marking or otherwise indicating to the public the different contents of these commodities; otherwise all fabrics will be under suspicion, the public will be imposed upon, and those who are engaged in utilizing and manufacturing the shoddy will be given the opportunity of making unreasonable and extortionate profits at the expense of the public.

Second, the presence of substitutes in commodities places an artificial and wholly abnormal stimulus upon the use of the substitutes. Again, it places a tremendous premium upon profiteering by placing it in the hands of those who use these substitutes to purchase inferior articles and utilize them by brushing them up, in the place of the genuine articles.

I have already indicated to you how the prices of the materials run; that the prices of the substitutes being used in the manufacture of all woollen goods run down to less than one-fourth of the prices of the genuine virgin wool entering into the virgin woollen fabrics.

The passage of this truth in fabrics bill, then, will accomplish two things. It will aid production—it will aid the production of wool and it will aid the production of meat. Both of these things, it seems to me, are very desirable at this time.

Mr. JONES. May I ask you a question at this point?

Mr. FRENCH. Certainly.

Mr. JONES. How would this bill increase the production of wool?

Mr. FRENCH. I am glad you asked me that question. That is the point that I want to develop at this time. It will increase the production of wool, because it will cause the woollen fabrics that are sold as virgin wool to be in great demand, and, consequently, the demand will stabilize and fix the price for virgin wool, and more people will necessarily engage in the production of virgin wool, in order to receive the benefits of the higher prices that would obtain—that the economic conditions would give to them.

Mr. JONES. But before production was increased to any great extent there would be a considerable increase in the prices of clothing to the consumer, would there not?

Mr. FRENCH. I think the immediate effect would be to increase somewhat the prices of virgin wool fabrics. But let me tell you this: The amount of virgin wool that enters into a suit of clothes is less than 4 pounds. To-day the price of virgin wool in the Boston market is around \$1.90 or \$2 a pound. At the price of virgin wool to-day the total content entering into an all-wool suit would be somewhere around \$7 or \$8. If you take the ordinary run of wool, as, for

instance, that of which soldiers' uniforms are made, it would be considerably less than that, and the total cost of the wool content would probably be between \$5 and \$6. If the price were increased somewhat for the virgin wool, say 25 per cent, which would be a large increase, the total wool content of the suit of clothes will still be valued at less than \$10. And I am sure that you, or any other man, would prefer to pay the additional cost and purchase an article that you knew was virgin wool rather than to pay a trifle less and purchase an article that is made in part of shoddy.

Mr. JONES. That is the point that I was getting at. Where there is not an overproduction there are always enough people willing to pay a high price for an article, because they think they will get a better article for the higher price, even though they can get a cheaper article answering the same purpose.

Mr. FRENCH. But why not let the people know whether they are buying a cheaper article, or buying an article of a better quality, and let them decide which one they want?

Mr. JONES. Well, unless there is a very much increased production of wool, would not the price of all-wool clothes jump up tremendously?

Mr. FRENCH. No, for this reason. Shoddy goods are valuable; shoddy goods and goods that are part shoddy and part virgin wool are valuable; they have their place; I do not minimize it. The quantity of virgin wool and shoddy clothing in the world would not be less. And the very law of competition, the shoddy goods competing with the virgin wool goods, would operate to keep down the prices of the virgin wool.

Why, Mr. Jones, if the shoddy goods are one-half as good as those who oppose this bill say they are, the danger will be that virgin wool, possibly, will be run off the face of the earth, because shoddy goods will be proven to be so valuable. Now, I do not think that is at all correct; but unquestionably shoddy has its rightful value.

Mr. WINSLOW. Do you mean shoddy goods?

Mr. FRENCH. Yes.

Mr. WINSLOW. Or do you mean all wool?

Mr. FRENCH. All wool shoddy goods. I say, that the law of competition between the two, at the prices at which they would be compelled to be sold, would be such that the prices of virgin wool would necessarily be kept down to a reasonable figure; and if they were not kept down to a reasonable figure, shoddy would be sold, and the public would refuse to be held up.

Mr. WINSLOW. Is there a discrimination between shoddy and wool rags?

Mr. FRENCH. I do not quite understand your question.

Mr. WINSLOW. I say, is there any discrimination between the terms "shoddy" and "wool rags"?

Mr. FRENCH. Wool rags are made over into shoddy. Shoddy is a term that is used to define a great variety of elements or materials that are reworked and used again in manufacturing goods.

Mr. WINSLOW. Is shoddy all wool?

Mr. FRENCH. Shoddy may be all wool, or it may be part cotton—or it may be part feathers, or other material, for that matter.

Mr. WINSLOW. In that case should not you distinguish between the term "shoddy" and the term "all-wool rags"?

Mr. FRENCH. Well, you could write new definitions, of course, and multiply distinctions and discriminations infinitely, if you wanted to do so.

Mr. WINSLOW. My point is that you are contrasting shoddy wool goods with virgin wool goods in the matter of quality and price.

Mr. FRENCH. What I was doing was this: Mr. Jones raised the question of whether or not the passage of this bill would serve to increase the price of virgin wool to such an extent that it would be impracticable for the people to purchase virgin wool cloth. What I was trying to say was this—

Mr. JONES (interposing). That is, to a large extent.

Mr. FRENCH. Yes; to a large extent.

Mr. WINSLOW. The point I want to make is that, in describing the material which is produced, it seems to me that if you are going to use the term "shoddy," you ought to say, "all wool shoddy" or else "shoddy" with the qualifying term "part cotton" or "part sweepings." You could get a shoddy suit of clothes which is all wool and a shoddy suit which is not all wool, as I understand it. There are three possible grades, as I understand it?

Mr. FRENCH. It might be possible to go still further in the classification of shoddy.

Mr. JONES. I have not read it through, but would that be a practicable proposition, unless the markings on the fabric contained the percentage of everything that is in it?

Mr. FRENCH. They do in a general way under the bill.

Mr. JONES. Suppose one fabric contained 95 per cent virgin wool and 5 per cent of something else?

Mr. FRENCH. Yes; the mark would indicate it.

Mr. JONES. Would that be called the same thing as the fabric that contained 3 per cent virgin wool and 97 per cent of these other wools?

Mr. FRENCH. No; the content you have indicated would be shown. This bill does not specify what a fabric shall be called. It provides that there shall be a marking of the quantities of virgin wool, or shoddy, or cotton, or silk, as the case may be, so as to show what the content is. You will find that on page 8 of the bill.

Mr. JONES. Yes; I see it.

Mr. FRENCH. It provides for cases where the fabric contains only virgin wool, where it contains virgin wool and shoddy; in that case it provides that the percentage of each—that is, not under a certain per cent or not over a certain per cent, so as not to impose impossible conditions upon the manufacturer—shall be marked. Also, virgin wool and cotton; and, of course, virgin wool and silk or other combinations must be indicated. In other words, it provides that manufacturers shall mark their fabrics so that there can be a ready understanding, without attempting to do what Mr. Winslow has suggested, multiply infinitely the number of classifications. Of course, you could go further than the bill goes; I recognize that; you could go so far as to standardize every particular piece of virgin wool cloth, standardize and mark every particular piece of cotton cloth, and every piece of cloth that uses reworked wool, and all that sort of thing.

It seems to me that that would be carrying the idea altogether too far. You can do that; but would it be workable; would it be advi-

sable; would it be practicable? Does not this provision that is in the bill put the public on its guard, or furnish to the public the essential information that it wants? And then can we not trust to the law of competition between manufacturers of virgin wool clothing and the manufacturers of shoddy clothing as they compete with each other to produce the best article, to grade the prices right that the people will be asked to pay?

It seems to me that that is the way it is going to work out; and further it does seem to me that it is going to increase, to a small extent, the price of virgin wool; and for that reason, it would be of benefit to and would encourage the growth of wool and the development of the sheep business in the United States.

I have here figures showing the number of sheep in the several States. I have here the figures showing the number of sheep in 1891 in the New England States, and showing the number of sheep in 1909, nearly 20 years later, in the same States.

In 1891, there were 1,204,000 sheep in the New England States. Less than 20 years later, there were 540,500 sheep; in other words, less than one-half as many as there had been less than 20 years before, notwithstanding the fact that the population had been increasing all of that time.

And when we come to the wool that was produced, we find that 7,530,000 pounds were produced in 1891, as against 3,303,000 pounds produced in 1909. These figures are from a letter by the late Secretary of Agriculture, Hon. James Wilson, addressed to President William Wood, of the American Woolen Co.

I have already indicated the decline in the sheep business, and have shown that in less than 20 years, the number of sheep in the United States has dropped down from, approximately, 63,000,000, as it was in about 1903, to probably less than 50,000,000 as it is to-day.

Mr. PARKER. Have you got with you the figures as to the value of the sheep along about 1884 or 1885—the value of the sheep when you first started?

Mr. FRENCH. I can furnish all of those figures; yes.

Mr. PARKER. It seems to me that in 1886 sheep did not command a very high price.

Mr. FRENCH. That is true.

Mr. PARKER. It was not profitable, I mean, to raise sheep at that time.

Mr. FRENCH. That is true; and now, in spite of the present prices, and everything that is being done by the Agricultural Department, it is even less profitable than it was 15 or 20 years ago, as is indicated by the falling off in the number of sheep.

I have here another statement, showing the increase and decrease of the number of sheep in the United States, by States, in the period from 1910 to 1917. In 1910 we had approximately 52,444,000 sheep; that was really 10,000,000 less than we had in 1903. In 1917, however, we had 48,483,000, which is nearly 4,000,000 less than we had in 1910—all of this in spite of everything we have been able to do to encourage sheep husbandry.

The passage of this bill would naturally stimulate the industry in the country, if it has the effect at all that Mr. Jones suggests it would have. That is what I hope would be the case, in order to stimulate

the production, in order that we may have meat from these sheep—which, by the way, is probably the most wholesome meat that there is—and in order that we may also have virgin wool to meet the demand for it all over the country.

Mr. PARKER. Before you leave that subject, Mr. French, what are the figures from New York State?

Mr. FRENCH. In 1917 New York had 840,000 head of sheep; in 1910 it had 930,000, or 90,000 more than it had 3 years ago.

Mr. COOPER. What are the figures as to Ohio?

Mr. FRENCH. I am sorry to say that your State has a very bad record. You had 2,944,000 sheep in 1917; you had 856,000 more seven years before that; in other words, you had in 1910 approximately 3,800,000 sheep, as against 2,900,000 in 1917. It is a remarkable showing all together; most of the States show a decrease; only a few States, probably about 10 or 12, show an increase.

Mr. COOPER. To what do you attribute that decrease?

Mr. FRENCH. The economic conditions, I would say, control that question. The figures I have given run up to 1917, which was the year in which we entered the war; and if you care to go back and check up the earlier figures, from 1903 to 1910, you have a period when the war was not on, and when there was a decrease even worse than the figures I have shown, or a decrease of about 10,000,000.

Mr. COOPER. Do you think the tariff had anything to do with that?

Mr. FRENCH. I think that, in spite of the tariff, and in spite of the efforts of the Agricultural Department, and in spite of everything that we have been able to do to encourage sheep husbandry in this country, there has been a diminution in the number of sheep that we have raised.

Mr. PARKER. I wish to say that in New York State there was a great effort made during the years you mention to stimulate the production of sheep.

Mr. FRENCH. Yes.

Mr. PARKER. The State took a great interest in the matter. And the reason that in New York State they have not a larger number of sheep to-day is that they can not pass in New York a law regulating dogs. That is the real condition in New York State; they can not pass and they can not enforce a law in New York that will stop a lot of dogs from getting into a flock of sheep. That is the reason the sheep are not increasing in New York.

Mr. FRENCH. Well, that is very interesting to know and it must be met by State law.

Mr. PARKER. Well, that is the question in New York.

Sheep in the United States, showing how the sheep industry increased or decreased in the United States between 1910 and 1917.

State.	Sheep in 1917.	Increase since 1910.	Decrease since 1910.
Alabama.....	121,000	.....	22,000
Arizona.....	1,632,000	405,000	.....
Arkansas.....	124,000	.....	20,000
California.....	2,524,000	117,000	.....
Colorado.....	1,950,000	524,000	.....
Connecticut.....	18,000	.....	4,000
Delaware.....	8,000	.....	.....
Florida.....	119,000	5,000	.....
Georgia.....	150,000	.....	38,000

Sheep in the United States, showing how the sheep industry increased or decreased in the United States between 1910 and 1917—Continued.

State.	Sheep in 1917.	Increase since 1910.	Decrease since 1910.
Idaho.....	3,195,000	184,000	
Illinois.....	998,000		182,000
Indiana.....	1,005,000		332,000
Iowa.....	1,240,000	94,000	
Kansas.....	348,000	70,000	
Kentucky.....	1,155,000		208,000
Louisiana.....	240,000	62,000	
Maine.....	157,000		49,000
Maryland.....	223,000		14,000
Massachusetts.....	25,000		8,000
Michigan.....	1,834,000		472,000
Minnesota.....	541,000		97,000
Mississippi.....	193,000		2,000
Missouri.....	1,370,000		441,000
Montana.....	3,744,000		1,637,000
Nebraska.....	381,000	87,000	
Nevada.....	1,455,000	300,000	
New Hampshire.....	35,000		9,000
New Jersey.....	29,000		2,000
New Mexico.....	3,300,000		47,000
New York.....	840,000		90,000
North Carolina.....	140,000		74,000
North Dakota.....	250,000		43,000
Ohio.....	2,944,000		965,000
Oklahoma.....	104,000	62,000	
Oregon.....	2,484,000		215,000
Pennsylvania.....	835,000		48,000
Rhode Island.....	5,000		2,000
South Carolina.....	30,000		8,000
South Dakota.....	658,000		47,000
Tennessee.....	650,000		145,000
Texas.....	2,328,000	519,000	
Utah.....	2,089,000	262,000	
Vermont.....	100,000		19,000
Virginia.....	686,000		119,000
Washington.....	585,000	109,000	
West Virginia.....	715,000		195,000
Wisconsin.....	645,000		285,000
Wyoming.....	4,381,000		1,016,000

Total, 48,483,000 in 1917, 52,444,000 in 1910; decrease, 3,961,000.

The 1910 figures are from United States Agricultural Yearbook or 1910.

The 1917 figures are from United States Agriculture Department quoted by volume by Hale Publishing Co.

Mr. FRENCH. Now, let me give briefly an outline of the truth in fabric bill.

But before doing that let me call your attention to page 2 of the bill, where the words "State or" should be stricken out; they were inadvertently included in the bill.

The CHAIRMAN. Where is that?

Mr. FRENCH. Page 2, line 1; the words "State or" should be stricken out. Congress, of course, would not, and it could not constitutionally, control the business of manufacturing and sales within a State; we can control it in the Territories and in the District of Columbia. We can also control the business in interstate and foreign commerce, but not when it is wholly within a State. But through inadvertence the words "State or" were included in the bill, when they should not have been included. The same words "State or" should be stricken from the title.

Having made these corrections, I will say there will probably be some minor corrections that will be noticed later on; but I wanted to make these now, because it is essential.

Section 1 of the bill defines the measure as "The truth in fabric law."

Section 2 provides that every manufacturer of woven fabrics purporting to contain wool, or of garments or articles of apparel made therefrom, within any Territory of the United States or the District of Columbia, who engages in business in such Territory or the District of Columbia, or who manufactures woven fabrics purporting to contain wool, etc., and who engages in interstate or foreign commerce, shall cause said fabrics to be stamped. A penalty is provided.

Section 3 of the bill provides that the introduction into interstate or foreign commerce of any woven fabric, or any article made therefrom, which is not stamped as required, is prohibited. A penalty is provided.

Section 4 authorizes the Secretary of the Treasury, the Secretary of Agriculture, and the Secretary of Commerce to make rules for carrying into effect the provisions of the law, including the examination of specimens of woven fabrics, and also the manufacturing establishment, raw materials, and methods; and the manufacturer's books, and the requiring of reports from manufacturers.

Section 5 provides for the examination of specimens of fabrics, under direction of the Bureau of Chemistry or the Bureau of Standards, which examination is provided for under section 4; it also provides for giving notice to violators of the law, and for the right of appeal to the courts.

Section 6 defines the duty of the United States district attorneys to prosecute for violations of the law.

Section 7 provides that every manufacturer engaged in business to which the act pertains shall have a registration number, obtained from the Department of Commerce.

Section 8 provides that persons not having such registration numbers may not engage in business. There is a penalty provided.

Section 9 recites the information to be stamped on the fabrics.

Section 10 provides for marking of garments manufactured from fabrics containing wool.

Section 11 provides that manufacturers of yarn purporting to contain wool shall have a registration number.

Section 12 provides that manufacturers of yarn shall furnish purchasers a statement and guaranty in writing setting forth the contents of the yarn. There is a penalty provided.

Section 13 provides that yarn purporting to contain wool, woven fabrics, purporting to contain wool, and garments or articles of apparel made therefrom, which are being imported into the United States, or offered for import, shall, in addition to the other requirements of the act, be accompanied by a written statement or guaranty as to the contents of such yarn, woven fabrics, garments, and articles of apparel. Upon the failure to furnish such written statement or guaranty, the goods may be refused admission to the United States; and if the goods are not withdrawn from the United States within three months after such refusal, they may be destroyed.

Section 14 defines the terms "virgin wool," "shoddy," "cotton," "silk," and other words and phrases used in the bill.

Section 15 provides for the exemption from prosecution of retail dealers who may show a guaranty from the manufacturer, jobber,

or other person from whom the purchases were made; the penalties revert back to the original person making the guaranty.

Section 16 provides that articles not stamped shall be libeled, and defines the process.

Section 17 contains certain administrative provisions for the enforcement of the law.

Section 18 provides for the cancellation of registration numbers for failure to comply with the law.

Section 19 prescribes when the act shall go into effect.

I have already indicated, in outline, what we propose to do. I will now merely touch upon the matter of enforcement.

In the first place, we must recognize that most of our people are not Bolsheviks; most of our people are law-abiding people; they are willing to abide by the law; and the very fact that there is a law prescribed for everybody to follow will enable the administration of that law to command the general respect of the people of our country.

Secondly, we have provided a registration system, by which all people engaged in the business under the law shall have a serial number under one of the departments.

We have provided that the specimens of fabrics, and so on, shall be submitted for examination. We have gone further than that, and have provided that the different manufacturing plants, their books, and all that has to do with the manufacturing of woolen, or part woolen goods, shall be open to inspection at all times, upon the part of the representative of the Government in enforcing the law.

You can go beyond that: The jealousies, the rivalries of the manufacturers themselves; the different organizations looking to truth in fabrics and truth in business, truth in advertising—all of those factors will enter in and aid in the enforcement of the law.

The last section of the bill, section 19, provides when the law shall take effect. I want you to notice especially the provisions as to that, because they are important. The law does not assume to limit—at all the disposition of any fabrics or materials or goods that are now in existence, or that will be in existence at the time that it is prescribed that the law shall go into effect; but those may be worked off by the individual retailers—or wholesalers, so far as that is concerned—as they may be able to dispose of them.

You go to a big city and the retail concern there desires to turn over its goods, perhaps every six months or every year; it has special sales and all that sort of thing. You go to the smaller towns throughout the country and a large amount of these goods are in the stores of the merchants and tailors in those towns; and there you will find business men oftentimes who do not see it to their interest to turn their goods over every six months, or every year, but they will hold their goods, perhaps, until the next season and dispose of them then.

This bill will permit them to do that. All that will be necessary will be to show that any goods of that kind were on hand prior to the date specified in the act. In other words, the class of goods of that character is, you might say, wedge-shaped; it will pinch out, and without attempting to do any harm, or doing any harm, to the group of people owning the goods now in existence, the goods will gradually be disposed of, and the law will automatically take care of the registration and representation of new goods that may be offered to the people.

When I was a boy on the farm, sometimes in trying to persuade our hens to lay their eggs where we could find them, we used to build nests close in and put door knobs into the nests as a further inducement to our poultry to take possession.

Then sometimes in late summer or fall when we did not want a new brood of little chicks brought into the world and we had a hen that was bent on setting, we would provide her a nest with china eggs and let her go to work. She would get discouraged in three or four weeks and that would end the matter. No harm done. In spite of this, I have always been somewhat embarrassed since those days when looking a hen in the face.

Even so, I never approved putting green goggles on our horses so that they would think they were eating grass when they were fed shavings, and I do not believe we should sell the people shoddy when they think they are buying virgin wool?

Mr. Chairman, in presenting this measure the proponents expect to show:

First. That an immense amount of shoddy in fabric is now being sold the people as all wool.

Second. That the quantity of shoddy has increased enormously during the last 50 years by means of scientifically devised processes.

Third. That virgin wool prices are charged the consumer.

Fourth. That the purchaser and the merchant can not tell what is virgin wool or shoddy, except the crudest kinds, by ordinarily available means.

Fifth. That the condition aids the shoddy manufacturer to profiteer at the expense of the public.

Sixth. That it aids unscrupulous manufacturers and merchants.

Seventh. That shoddy has an economic, reasonable, and desirable use.

Eighth. That shoddy should be sold under its own name and for what it is worth and not as virgin wool under the name of "all wool."

Ninth. That the people who constitute the consumers are entitled to know what they buy; that is, the truth.

Tenth. That the truth-in-fabric measure will afford this relief.

Eleventh. That the measure is practicable and can be enforced readily.

In conclusion, then, honest manufacturers of woolen fabrics should welcome the measure, because it will place all manufacturers upon equal footing so far as raw material may be concerned—competition would be on merit and not by fraud on part of unscrupulous manufacturers.

Honest merchants should welcome the measure for it will enable them to buy intelligently and to speak with confidence, frankness, and sincerity to their customers.

Growers of wool should welcome the measure, for it will mean an honest price for wool.

The public should welcome the measure for it will enable them to buy virgin wool or shoddy as they please.

It will remove the green goggles that unscrupulous manufacturers ask the people to wear when they feed (sell) them shavings (shoddy) for grass (virgin wool).

Unless there are some questions that the committee desires to ask, Mr. Chairman, I have finished.

Mr. JONES. Have you given any thought as to what it would cost the Government to carry out the provisions of this bill and keep it enforced?

Mr. FRENCH. I have tried to give some attention to that, but it is one of those questions where you can hardly arrive at a definite conclusion.

For instance, take the oleomargarine law: I tried to find out from the department what it costs to handle that law; they told me it was impossible for them to determine; the enforcement of that law is so blended in with the general work of the Government that they could not, in a clearcut way, tell me, even approximately, what it would cost.

I will say this, however, Mr. Jones, that most of those who will be concerned by this bill, if not all of them, either as manufacturers or as importers, have capital behind them; they have plants that have cost them many thousands or millions of dollars.

Those men are not going to take chances under the law; they have their serial numbers. If a concern is under suspicion at all, it is natural to suppose that an inspector from the Government would drop in quite frequently on that concern to look over the methods of doing business, the books, the fabrics entering into the composition of their output, and all of that sort of thing; and the concern, knowing that the registration number could be withdrawn from it any time, would not take any chance; knowing that it would be liable to prosecution and to fine and its responsible officers to imprisonment, it would hardly take a chance.

There is also another consideration. The men in the manufacturing business are high-class people; they are not going to try to violate the law, and especially if unscrupulous ones must obey it. Here they will all be on one common level in this regard. Everybody in the business will be required to do precisely the same thing; so that you are not doing anything that will injure one manufacturer over another or benefit one over another, but they are all on equal footing. And I think you are going to find that the law will not cost a great deal to administer. That is my judgment.

Mr. JONES. Are the officers of a corporation violating the act made liable to imprisonment?

The CHAIRMAN. Yes.

Mr. FRENCH. Yes; I think we have provided for that in the bill. The committee can consider that when we get to the details of it.

The CHAIRMAN. The provisions on page 8 of your bill require that a stamp should be placed upon the fabric, giving the various forms in which that stamp shall be, and you have quite a large verbiage there. I question the practicability of putting the stamp upon the fabric, so that it will sufficiently identify its parts. I do not know anything technically about the matter; but I understand that the fabrics as they are sold to-day do not have a selvage, or a border, or an edge, as silk fabrics have, on which you could place the stamp required by this bill. How would you place the stamp upon the woven fabric, as a practical matter?

Mr. FRENCH. Mr. Chairman, I would prefer to let one of our witnesses who is expert as to that feature of it develop that subject. I understand that it can be done, that it is thoroughly practicable;

and that that is a matter that really will not raise a serious problem for the committee. But as I say, I prefer that some one who is informed on that particular thing should tell the committee about it.

Mr. MONTAGUE. Do not a good many of the fabrics of the better quality that come here from England have the names of the manufacturers on the edges of the cloth?

Mr. FRENCH. That is not required by law.

Mr. MONTAGUE. I do not say it is; I say, as a matter of fact, do not a good many of the English goods that come to this country have the name of the manufacturer stamped or woven in on the edges of the cloth?

Mr. FRENCH. I think so. And I have here with me a couple of pieces of virgin wool cloth that are stamped; and yet, at the same time, the stamp can be brushed off with my finger nail. And it seems to me, as I have said, that the problem can be very readily met; and we shall have witnesses who can tell the committee how to meet it.

The CHAIRMAN. Very well. Are there any other questions?

Mr. MONTAGUE. I understood your answer to a question asked a while ago to be that you did not think it would be very expensive to administer this law?

Mr. FRENCH. I do not think this bill, generally speaking, when you consider the magnitude of the business involved, would impose any excessive burden at all upon the Government to enforce it.

Mr. MONTAGUE. It might not be an excessive burden if you apportion it among all the people, owing to the magnitude of the business.

Mr. FRENCH. That is correct.

Mr. MONTAGUE. Have you considered the number of officers or employees that the Government would have to use to enforce this law?

Mr. FRENCH. I have, yes. In that connection, let me say that we have now in this country a very limited number of manufacturers or importers who would be involved in this bill. I think that two bookkeepers would be able to keep track of the registration numbers for instance of everybody who would be involved in the bill.

Mr. MONTAGUE. Do you mean two bookkeepers of a private concern?

Mr. FRENCH. No.

Mr. MONTAGUE. You mean two bookkeepers of the Government?

Mr. FRENCH. Two bookkeepers of the Government would be able to do that part of it.

Mr. MONTAGUE. I congratulate you upon your optimism. [Laughter].

Mr. FRENCH. Yes; that would mean merely the listing of the registration numbers. In addition to that, of course, you would have others employed in the Bureau of Standards or the Department of Commerce; you would have persons there who would make analyses of the various cloths.

Mr. MONTAGUE. You may think that now, but when you impose this duty on those bureaus, you will find that they will require a great number of employees. I am not saying that in order to raise objections to your bill. I am just trying to get at the facts in relation to the subject.

I am simply directing your mind to the fact that governmental administration always requires a larger number of people to perform the work under any law than was anticipated, at least; that has been the experience in Washington.

Mr. FRENCH. Yes, that is true. I think you will find, however, when you consider the question of the extra expense, in view of the magnitude of the business, it is going to be very small indeed; and I think you are going to find also, that, as in the case of a great many other laws, public sentiment, competition and rivalry will help to enforce the law.

Mr. MONTAGUE. The expense may be small in proportion to the magnitude of the business; but will not the magnitude of the business entail a large number of people to carry on this work?

Mr. FRENCH. Quite a number. I have checked up on the amount of cost of enforcement of the Pure Food and Drugs Act; the total cost to-day is between \$500,000 and \$600,000 a year.

Mr. MERRITT. That is the cost of the proceedings in the courts, is it not?

Mr. FRENCH. That is the cost to the United States.

Mr. MERRITT. What does it cost the manufacturers?

Mr. FRENCH. They have, of course, some extra cost to pay. But this bill, as I view the question, from every possible angle, can not involve any such expense to the Government as is involved in the pure food and drugs act, and even that sum would be insignificant as compared to the good that it would do to the consuming public of this country. I think that the expenses to the manufacturer are not going to be any considerable amounts. But that part of the subject will be developed by other speakers.

Mr. MONTAGUE. In line with the question asked by Mr. Merritt, let me ask you this question: Have you any figures as to what has been the additional cost to the manufacturers to conduct their business under the pure food and drugs act?

Mr. FRENCH. I have not any figures as to the additional cost to them.

Mr. MONTAGUE. Well, there has been a good deal of complaint that that act has imposed a heavy cost upon the manufacturers and dealers—take the drug stores, for instance.

Mr. FRENCH. Yes.

Mr. MONTAGUE. They say that it has cost them a great deal to meet the requirements of that act.

Mr. FRENCH. That is probably true.

Mr. MONTAGUE. I suppose that is passed on to the consumer?

Mr. FRENCH. I do not doubt that it is passed on to the consumer, and I will say this, in regard to the present bill, that I do not believe that it would cost, to take care of the branding and marking required under this law, exceeding 1 cent on a suit of clothes. I have the estimate referring to that here, and we will have those who are familiar with that subject testify closely on that point, and I believe the estimate is that it would cost approximately one-fifth of a cent per running yard.

Mr. MONTAGUE. You are speaking of fabrics, alone?

Mr. FRENCH. I am speaking of fabrics alone; yes.

Mr. PARKER. I want to ask you why you include goods for export, goods that will come into competition with goods to be sold in other countries, that are not made in America?

Mr. FRENCH. Well, that is a question that we will have to meet as we work out the details of the bill. It seemed to me that it was desirable; that we ought to uphold the standards of American goods all over the world.

Mr. PARKER. But if they are in competition with goods manufactured in other countries that are not required to be stamped as these goods are, our manufacturers will be at a disadvantage in selling these goods abroad?

Mr. FRENCH. Yes, and so far as that is concerned oftentimes at a distinct advantage. That is a question that the committee will have to meet; but it is not a question that has to do with protecting the American public in buying these goods in this country.

Mr. PARKER. No.

Mr. FRENCH. But it is a question that you gentlemen can meet in one way or another.

Mr. PARKER. I can see why you put in goods that may be imported to this country; but, of course, a different consideration applies to goods exported to another country.

Mr. FRENCH. Yes, certainly.

Mr. MONTAGUE. Perhaps he thought they would "beat him to it," if he did that. [Laughter.]

Mr. FRENCH. Well, it may be that is a sword that cuts both ways. It is true that our goods sent abroad would be in competition with goods made in foreign countries. In that connection, I would like to say, that just a few years ago, there was a great demand for woollen goods from England, and the English mills and manufacturers had a very high reputation. Why? Because it was believed that their manufactures of woollen goods were superior to ours, and it was believed that they did not use much shoddy, and those who are now informed on the subject tell us that——

Mr. MONTAGUE (interposing). Well, that was not due to any marking or branding of the goods, was it?

Mr. FRENCH. It was not due to any marking; no.

Mr. MONTAGUE. It was due to the reputation of the manufacturers?

Mr. FRENCH. It was due to the reputation of the manufacturers in Great Britain; but we have gotten to the time now——

Mr. MONTAGUE (interposing). We have gotten to the time now where we can not trust any of them?

Mr. FRENCH. Well, perhaps we can not.

Mr. MONTAGUE. We do not regard that now as evidence that the goods are all right?

Mr. FRENCH. Well, we have gotten to the time now where we can say that the fact that it is made in Great Britain or that it is all wool, does not necessarily mean that it is virgin wool.

There is to-day an immense amount of shoddy in the British manufactures, just as there is in the manufactures in our own country.

Mr. SIMS. I would like to ask one question: Would you consider it worthy of our nation to want to compete with foreign nations in fraudulent practices?

Mr. FRENCH. Well, it seems to me that we ought to consider this and that harks back to the question that Mr. Parker was asking, as

to marking goods for foreign trade. It seems to me that it is desirable, that when a good piece of goods is marked "Made in America, virgin wool," it should be worth 100 cents on the dollar anywhere in the world, and that it would be to the interest of the manufacturer to have it that way.

Mr. SIMS.-And when the large manufacturer has established a reputation for treating home folks honestly, and for treating foreigners honestly, you think that the dividends upon that reputation would be worth more than any dividend that the manufacturer could possibly make by competing with some foreign manufacturers in manufacturing shoddy and selling it as all wool?

Mr. FRENCH. If I were a manufacturer, I would certainly want that provision in the law, because I should want it known all over the world that the manufacturers of this country engaged in manufacturing those goods conducted this business, at home and abroad, on an honest basis.

Mr. WINSLOW. Well, suppose you found that you could not sell the goods abroad unless they were dishonestly marked?

Mr. FRENCH. Well, that is a very poor estimate upon the intelligence of our customers.

Mr. WINSLOW. Well, the goods manufactured in foreign countries, with which our goods came into competition in the foreign markets, would not have to be stamped, of course?

Mr. FRENCH. No; and I suppose we could not go so far as to adopt a standard for foreign countries upon questions of that kind; if they wanted it, of course, they would adopt it. If they want shoddy they ought to have it. Now, it may be, that if we could not do business with standard American goods, and they want the other kind, I do not see why we should set ourselves up as dictating that they should not have the other kind.

Mr. MONTAGUE. Do you not think it is questionable whether we should go into another country with our goods and say "We are better than you"?

Mr. FRENCH. Well, this bill does not do that.

Mr. MONTAGUE. I say, do you not think that is a debatable question?

Mr. FRENCH. I say that does not enter into this bill. It is a question that does not involve the big merits of the bill, so far as our own people are concerned.

The CHAIRMAN. In our investigations, about six or eight years ago, which led to the passage of the act prohibiting the manufacture of matches containing phosphorus, and particularly, in investigating the conditions of the match industry in other countries, it was developed that there were two countries that prohibited the manufacture of those matches to be used in their own country, but did not prohibit the manufacture of matches to be shipped to other countries, containing the poison phosphorus.

Mr. FRENCH. Well, those countries probably would have met the question by striking out this particular feature of this bill relating to exports.

Unless some member of the committee has further questions to ask, I have finished; and I want to thank the committee for their attention.

Mr. Chairman, there are two gentlemen here from Pennsylvania, representing farm organizations and wool growers, whom I would like the committee to hear.

The CHAIRMAN. Mr. Rainey is here and would like to present his bill to the committee, and he desires to take a short time now to do so; after that we will be very glad to hear the gentlemen to whom you refer.

The committee thanks you, Mr. French, for your very elaborate presentation of your bill and for the information that you have given to it.

**STATEMENT OF HON. HENRY T. RAINEY, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF ILLINOIS.**

The CHAIRMAN. You have two bills, have you not, Mr. Rainey?

Mr. RAINEY. Yes, sir; but I want the last one that I introduced to be considered. They are identical, except that in the last one I have corrected some typographical errors.

Mr. MONTAGUE. What is the number of the bill?

The CHAIRMAN. H. R. 13111.

(The bill referred to is as follows:)

[H. R. 13111, Sixty-sixth Congress, second session.]

A BILL. To prevent deceit in the manufacture and sale of woven fabrics or of yarn.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Stamped fabric law."

SEC. 2. That when used in this act the term "interstate commerce" shall include transportation from one State, Territory, or the District of Columbia, to another State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or through any State, from a point in one State to another point in the same State, or to any foreign country, or from any foreign country to any State, Territory, or the District of Columbia.

SEC. 3. That no manufacturer of woven fabrics, or of yarn, or articles of apparel made from either, shall sell, trade, or exchange the same in interstate commerce unless he shall cause the same to be stamped or tagged in such manner as the Secretary of Commerce may designate so that the stamp or tag shall correctly state the percentage by weight of virgin wool, reworked wool, shoddy, cotton, or silk contained in said fabric, or yarn, or articles of apparel made therefrom; the name and address of said manufacturers shall also be included in said stamp or tag.

SEC. 4. That every manufacturer of garments and articles of apparel for sale, trade, or exchange in interstate commerce shall be deemed to have complied with the provisions of this act, provided he shall stamp or tag in such manner as the Secretary of Commerce shall direct said garment or articles of apparel so as to indicate thereon the contents thereof, as the said contents have been indicated on the stamp or tag affixed by the manufacturer of the materials out of which said garment and articles of apparel have been manufactured.

SEC. 5. That any person who shall violate any provision of this act shall be guilty of a misdemeanor and upon conviction thereof, for each offense, shall be fined not to exceed \$500, or shall be sentenced not to exceed one year's imprisonment, or both such fine and imprisonment, in the discretion of the court.

SEC. 6. That this act shall be in force and effect sixty days after its passage.

Mr. RAINEY. I have made one or two minor changes in this bill.

My bill is the shortest of all of the bills; it is not much longer than the preamble of the bill that you have just been considering.

There are no sheepmen in my district. In my district the production of wool is a by-product of the general farming industry. There are no factories in my district manufacturing silks, and no factories manufacturing cotton goods, and only one factory that manufactures woolen goods.

So that I am not looking at this question from the standpoint of the sheepmen or from the standpoint of the manufacturers, but simply from the standpoint of the consumer.

From the standpoint of the consumer, I am in favor of the principle involved here. I think the consumer, when he pays his money for a piece of goods or a manufactured garment, is entitled to know what he is buying, and if it is an imitation of wool, and the dealer tells him it is woolen, he is defrauded; he ought to know what he is buying and he ought to know what he is paying for.

I have not much sympathy with this theory that you can increase the number of sheep by law; you are not going to be able to do that. And I do not think you can increase the amount of wool by law. We are in a transition stage from the old system of sheep ranches, and wild grasses, upon which the sheep can feed, to the modern systems of farming and animal husbandry in the United States.

And the sheep are diminishing, of course. In this country we do not produce the wool sheep and we do not produce the mutton sheep; we do not produce either. If we produced one or the other, we would probably have more sheep and more wool; but we produce a kind of crossbreed sheep. And even in the State of Ohio, where they approach the nearest to the merino sheep, they do not have any full-blooded merino sheep. There never will be any impetus given to the business of the production of wool and sheep in this country until, as has been intimated, we do something about dogs.

Every farm ought to have on it—every inclosed farm, in a high state of cultivation—ought to have on it 25 sheep for each 100 acres. And they do not have that. I am a farmer, and have no other business; and I have raised sheep on that kind of a farm in the corn belt of Illinois. I know that there is almost no limit to the profits. They double themselves every year—you will have one, or possibly two lambs from every ewe each year, and they develop in a year, or less than a year, until they are ready for the market; and the wool also now yields a considerable profit. It is safe to say that if you can keep the dogs away, on an ordinary farm, such as we have in the States of the West, which produce bread grains and forage crops—that if you can keep the dogs away, you can have a production of sheep on those farms that would yield 50 per cent per annum on the amount that you have invested in them. On that kind of a farm as many sheep as I have indicated will almost keep themselves, except in the winter months—by eating the weeds and other nonproductive growths about the farm. They are in reality made scavengers, and cost but little to keep.

Mr. PARKER. Do you have any dog law in Illinois?

Mr. RAINEY. No; we do not have any effective dog law in Illinois; and if the legislature should pass a dog law, many of them would be beaten at the next election.

Mr. PARKER. You could not enforce it?

Mr. RAINEY. We could not enforce it.

Mr. MONTAGUE. We enforce the dog law in our State.

Mr. RAINEY. I am delighted to hear that; you have a progressive State. But the farmers are organizing everywhere; the farmers want to raise sheep; but they can not do it. I had to quit raising sheep; when the farmers unite in demanding a dog law they will get it.

Mr. MONTAGUE. Do you tax dogs in Illinois?

Mr. RAINEY. Yes; they have a tax of \$1 on a male dog and \$2 on a female dog; and then the various townships can also add to that a township tax, if they want to impose that kind of a tax; but they do not want to do that, as a rule; and the assessors and collectors of taxes who are anxious to be reelected do not find many dogs when they go around.

But when the farmers are organized and demand dog legislation, you will find that there will be an increase in sheep production. Of course, out on the great ranges of the West, where we have these great herds, it is different; but even there the number of sheep is decreasing right along. In those sections they can look out for the dog nuisance, and it does not trouble them to any extent. But the plow has been driving out the sheep, and will continue to drive out the sheep, until we adopt a method of animal husbandry which permits them to be produced on farms free from the molestation of devouring dogs.

Mr. COOPER. Are they the farmers' own dogs that kill the sheep?

Mr. RAINEY. No; the farmer's own dogs do not kill his sheep.

Mr. COOPER. Is it the dogs in the farming communities that kill the sheep?

Mr. RAINEY. No; it is the dogs from the towns that kill the sheep.

Mr. PARKER. Yes; it is the dogs from the towns and villages.

Mr. RAINEY. I have seen those dogs come out of the towns and villages. They are perfectly tractable and well-behaved dogs when they are in their own homes and surroundings; many of them are even house dogs. But when they get away from their homes, their nature changes as completely as that of the wild animals in the Yellowstone National Park when they get outside.

Mr. COOPER. I want to say that, about the time of the election last fall, I spent a great many days going around over the farms in my district hunting; and I did not see one single case of stray dogs in that section of the country. I do not know where they come from if they do not come from the farms themselves.

Mr. RAINEY. Well, you can not find them. When they start out on these expeditions, they go in little groups of three or four, and they become wild animals, at once; and they will see you half a mile away, and will run away from you, and you can not get near them; you can not get near enough to shoot them. It is a singular thing.

Mr. PARKER. They go back to their natural condition.

Mr. RAINEY. They go back to their natural condition; they become wolves.

Mr. JONES. It is not necessary for a dog to kill the sheep by biting them; the sheep die from fright.

Mr. RAINEY. Many sheep die from fright when chased by dogs. And the dog does not generally eat the sheep; he cuts their throats.

Mr. JONES. I have seen dead sheep, where the dog just snipped at their hind legs, and the sheep would die from fright.

Mr. RAINEY. I have seen cases of that kind.

Mr. MONTAGUE. My information is, that after the dogs get into the sheep herds, even if they do not touch the sheep, the sheep become demoralized and they do not develop.

Mr. RAINEY. That is true.

But that does affect the merits of this proposition, except that I do not think you are going to increase the number of sheep by passing this kind of legislation. If you can, it will be a most desirable thing to do. At any rate, it will not decrease the number; and it is a step in the direction of honest business and honest trade.

Now, I am going to support on the floor any bill that this committee reports out. The time has come to report out some kind of bill.

Before turning to my very brief bill, which I think will accomplish everything that the more elaborate bills will accomplish, I want to call your attention to the bill that has just been discussed.

That bill provides for a system of espionage without a parallel in the history of legislation in recent years. My observation during the long period of years—the 18 years—that I have been in Washington, is that a new bureau of this Government, or a new section or division, tries to accumulate and develop business; these Government employees become enthusiastic about their work, and they carry these things to a very great extreme—just as those who are charged with the enforcement of the prohibition laws are now doing; they are making prohibition enforcement unpopular in certain sections of this country.

This bill contemplates and makes possible a Government agent in every factory in this country manufacturing silk, cotton, or woolen goods, or manufacturing yarns: it throws open to his inspection the books of that company. We have at the present time Government agents running around enforcing the prohibition law—that is the most recent thing we have tried to do—who are dishonest. You can not get all of them honest men to save your life. And they are in collusion with the distillers—some of them—dishonest distillers all over this country, and at the present time are even stealing whisky out of the warehouses; and the distillers, some of them, after the whisky is stolen, get back a draft from some unknown source. You can not keep petty Government agents from doing things that are dishonest if you have got a lot of them.

And to throw open the books of a firm to the inspection of a Government agent means that that Government agent will give away that information to rival firms, if they get the chance to do it, and if they can get something for it. Some of them will; most of them will not, of course.

This bill that you have just been discussing contemplates the coordination of three great departments of this Government in order to carry it out, the Treasury Department, the Department of Commerce, and the Department of Agriculture.

Mr. MONTAGUE. And also the Department of Justice.

Mr. RAINEY. Yes; the Department of Justice also; there are four of them. And the Department of Justice ought to be the only department directly and actively interested in the enforcement of law.

This bill contemplates the utilization of the Bureau of Chemistry in the Department of Agriculture and the Bureau of Standards also. It contemplates the careful investigation by one or the other or both of these bureaus of every bolt of goods, whether it is shoddy, or silk, or cotton, or wool, that is manufactured in the United States. I will undertake to say, that in order to carry that out you would have to double the personnel of the Bureau of Standards and of the Bureau

of Chemistry; and if you want to know what it will cost to carry out this proposition, find out what it costs now to conduct those two bureaus, and take the aggregate cost of conducting those two bureaus, and then add to that total the salaries of hundreds of Government officials who, as the enforcement of this bill develops will be installed in almost every factory of any size in this country—or at any rate, at every factory center in this country—and you will approximate the cost of enforcing this bill under the provisions it contains.

And the bill also usurps the business of the Department of Justice. The real trial that a man would get if he violated this law would not be in the open courts; it would be in a tribunal which is to be set up, under some sort of arrangement to be perfected by three members of the Cabinet; they would try the man, and find out whether he was violating this law with reference to marking or tagging, and then they would send the evidence down to the Department of Justice; and then the man would be prosecuted there, upon the evidence that they had assembled.

In one of these bills—I do not remember whether it is the one that has just been discussed or not—nobody could initiate a prosecution against a man who improperly tagged his goods, except these three secretaries, under some arrangement that they may establish.

The bill provides for an expensive and elaborate proceeding, in the nature of an admiralty proceeding, which reaches goods that come here from outside our own boundaries.

What we want to do, it seems to me, as conscientious legislators, is to decrease, if we can, the complexity of this Government, and the tremendous expense of carrying it on, which is continually increasing. When we go back to our constituents, we find they want us to decrease the cost of running the National Government, and we can not do it when we come back here, for the reason that we are continually adding to the machinery of government. Candidates for the Presidency are running around over the country now, upon a platform that they are going to decrease national expenditures, and not one of them ventures far enough out into the stream to suggest a method of decreasing the expenditures of the Government.

They do not know what they are talking about. You can not decrease the expenditures of an organization that is constantly increasing its personnel; you can not do it to save your life. But you can do something to keep from further increasing the ponderous machinery of this Government, and you can try to return to the sane and simple methods of the past in enforcing laws.

I have prepared a bill which I really think accomplishes everything that the sheep growers want to accomplish. It accomplishes everything that the manufacturers want to accomplish; and I think it will give to the public the kind of goods they think they are buying with their money. There are only a few sections in it.

The first section provides that the act may be cited as the "Stamped fabric law."

The second section defines the term "Interstate commerce" in the usual way, and provides that goods which come here from any foreign country, to any State, Territory, or the District of Columbia, shall be considered as goods in interstate commerce—or goods which go to any foreign country.

And then follow the very simple remedy. In the third and in the following section it is required that the manufacturer of woven fabrics, or of yarn, or of articles of apparel made from either, shall stamp these fabrics—not in the elaborate ways provided in the other bills, which are exceedingly complex, and which may prove not to be possible when the experts get to working on the proposition; but my bill provides that these fabrics shall be stamped in such a method as the Secretary of Commerce shall provide, by regulations; and of course, those fabrics which have a selvage edge, you will have to stamp in one way, and those which have not a selvage edge you will have to stamp in another way; the Secretary of Commerce will decide as to that. And that is all there is to that.

And in the next section my bill provides that the manufacturer of the garment shall be protected, if he stamps his goods, under such directions as the Secretary of Commerce may give him, in accordance with the stamp which is on the raw material when it reaches him. He ought not to be held responsible. These manufacturers of garments are sometimes very small business men; they can not employ chemists and experts to work for them; sometimes the manufacturer of the garment has only himself and one or two other people working for him. And if they stamp every garment as the fabric was stamped, then they ought to be exempt from prosecution, of course, and ought to be subjected to no penalty. The offenders are those who make the goods and who stamp them improperly.

Now, that is all there is to this bill. In the last section, a penalty is provided, which is substantially the same as the penalties provided in the other bills.

This is a bill that will enforce itself. I know it will enforce itself, because the manufacturers of this country are honest; they are business men who come up to the very highest standards. They are not going to misrepresent their goods. Most of them are important business men, and they are going to be particularly anxious to see that their goods are stamped correctly under the regulations that the Secretary of Commerce may prescribe. I do not think that you will find one man in a thousand, among the manufacturers of the United States, who would misrepresent in his stamps the contents of his goods.

But if he does, then he has competitors who are going to find it out; all of his competitors, as well as himself, are supplied with chemists; that is now an important department of every well-regulated factory.

I remember something that was brought out in drafting the last tariff bill which will illustrate what I mean: I found out that in the spring of the year, in the early spring, they bring over here from England (or they did before the war) what they call "novelty goods." Novelty goods are goods which present a certain rough appearance; they are made out of threads of different sizes and slightly different shades. Now, that is all there is to them. But they come over here every year early in the spring, with an absolutely new kind of novelty goods, that do not look like anything that was ever made before. And these rich dudes in New York and Chicago go after those goods, and they pay fabulous prices—\$200 or \$300—for a suit made out of them.

Our manufacturers watch for the arrival of the first piece of novelty goods; and as soon as the first piece of novelty goods gets here they grab it up and divide it among themselves; they take it into their laboratories; and in two weeks time they know just how heavy those threads are, and how big they are, and how many there are to an inch, and what the shades are, and what the percentage of cotton is, or the percentage of silk or wool is in those particular novelty goods.

And in the fall every year before the war, after the manufacturers in New York have made those analyses and discovered what those novelty goods are made out of—in the fall of that same year, you can buy those novelty goods in ready-made suits made out of American goods, which are just as good as those brought in here from abroad, but which sold before the war for \$30 a suit, manufactured and made up.

That indicates what the laboratories of our factories can do; they are supplied with experts; and our colleges are turning out those experts every year, dozens and dozens of them, qualified for working in these factories.

Now, let this law enforce itself. Suppose A, in Massachusetts, is manufacturing goods which he says contains 90 per cent of wool and 10 per cent of cotton or shoddy, or whatever else it is; and if he is competing with goods manufactured by B, who makes a goods that looks just like his, but which contains more of wool, or more of shoddy, than his—if they are competing on the market, A is going to find it out, and he is going to test his rival's goods and he is going to furnish, as a matter of self-protection, the Department of Justice with the evidence which shows that B is improperly stamping his goods.

That is the way laws ought to enforce themselves. These laws that are *mala prohibita*—and this law largely is—ought to enforce themselves, on account of the self-interest and the rivalries of the men who are benefited by the law. And this law properly drawn will do that. All that you need is a simple bill, something like my bill. I have no pride of authorship at all.

I hope the committee will report out a simple bill, that will provide a logical, simple, and easy method of accomplishing what these gentlemen want to accomplish, without increasing the ponderous machinery of this Government in the manner that would be required by these other bills.

That is all I desire to say Mr. Chairman, unless the committee wants to ask some questions.

The CHAIRMAN. I notice, Mr. Rainey, that in your bill you provide that the several contents of the article are to be represented in percentages by weight. Is that a suitable standard, or do they use quantity as the standard at times?

Mr. RAINEY. I am not expert enough to know about that, Mr. Chairman. I thought that was a suitable standard; but I do not pretend to be an expert about fabrics at all. But I have no doubt whatever that before you gentlemen get through with hearing these experts who will come before you, you will all be expert enough to determine whether that or something else should be the standard.

The CHAIRMAN. Do you think that 60 days is a sufficient time after the passage of the act for it to go into effect?

Mr. RAINEY. No; I think it ought to be longer.

Mr. JONES. Do you not believe that in your bill you ought to define "person" as given in section 5, so as to include corporations and partnerships?

Mr. RAINEY. Yes, you are right; I think that ought to be done.

Mr. MERRITT. Does your bill follow the English act?

Mr. RAINEY. I do not know whether it does or not. I am not familiar with the English act.

The CHAIRMAN. We will have that inserted in the record.

Mr. RAINEY. I just drafted this bill as a suggestion to the committee to show them that it might be possible without ponderous machinery adding to the tremendous expense to Government, to accomplish what these gentlemen want to accomplish and what everybody wants to accomplish, including the consumer, and, after all, it is the consumer who is entitled to the first consideration, and the people who pay taxes.

The CHAIRMAN. We are much obliged to you for your statement.

Mr. FRENCH. The next speaker will be Mr. McDowell, from Pennsylvania.

The CHAIRMAN. Give us your name and whom you represent, Mr. McDowell.

STATEMENT OF MR. J. N. McDOWELL, WASHINGTON, WASHINGTON COUNTY, PA., REPRESENTING THE WOOLGROWERS OF WASHINGTON COUNTY, THE PATRONS OF HUSBANDRY OF WASHINGTON COUNTY, THE STATE GRANGE OF THE PATRONS OF HUSBANDRY, THE WASHINGTON COUNTY FARM BUREAU, AND THE TRI-STATE ASSOCIATION OF WOOLGROWERS.

Mr. McDOWELL. J. M. McDowell, Washington, Washington County, Pa. Mr. Chairman and gentlemen of the committee, I come from my end of the State as a delegate to advocate the approval of this bill, H. R. 11641, or whatever the number is. We know it as the truth-in-fabric law. I am a delegate representing the woolgrowers of Washington County. I am also a delegate representing the Patrons of Husbandry, the Grangers of the same county, and also indirectly the State Grange, if the State Grange does not get their delegate here to speak for them. I represent the Washington County Farm Bureau as its chairman or president. I am also a representative of the Tri-State Association of Wool Growers, which holds its meetings annually at Wheeling, W. Va.

The question has been taken up and this bill has been read and discussed among these different associations, and we believe and they believe that it will help not only our part of the country but everybody else in every part of the country, just as much probably, or almost as much, as it would us. Myself and another gentleman who came with me are being paid by the woolgrowers; our expenses are being paid down here to represent them, and then we have the honor of representing these other organizations mentioned. Contrary to the honorable gentleman who just spoke, Congressman Rainey, they believe that it will increase the wool production. We believe it

will stabilize the prices of good wool, such as we have in that part of the country, which is the best that grows in the United States.

The peculiarity about that wool, I will just say indirectly, is that there is 2,100 square miles of territory there, in a circle, something in that shape, taking in western Pennsylvania and the Panhandle section of West Virginia and eastern Ohio, that produces the best fiber of wool that is grown in the United States. Even the sheep taken away from that part of the country, and there are some from our own flock that were sent to Texas and other parts of the country, have not continued the same textile quality; it is not the same crimp and fiber; it is changed, showing that climatic conditions there favor our industry.

As a member of the Wool Growers' Association, I being its secretary, we have gone to quite considerable expense in Pennsylvania to have a dog law passed, and we get behind it and see that it is enforced. I cut out of a paper that I found as I came down on the train from Pittsburgh last night, a clipping, and I did not know the dog question would be discussed here, and how those dog laws worked out, or I would have brought it with me, but I left it at the hotel. I can say that there were more than 70,000 dogs killed in Pennsylvania last year as being delinquent, not having paid their license. The dog law has been in force and it has been helping our industry, so that we feel that we are in shape to increase the number of sheep. We think that stabilizing the price, under the present bill under discussion, while we know that the reworking of wool will continue, will stimulate the production of wool, for we think there will be more sheep raised. Because of this law, with other things, we think that we will raise more sheep and we do not think it will be a burden upon anyone.

We feel that the marking of goods would not be a burdensome cost on the Government for inspection, nor would it be burdensome on the manufacturer. These things can be done very cheaply and without much of a burden to the mills or garment makers. We think, as individuals, as grangers, and others that we represent who are not woolgrowers, that it would be a direct benefit in dollars every year to every purchaser of clothing; and further, we believe that we have a right to know how much of our wool we are going to wear; when we are buying it or producing it we feel we have a right to know how much of that wool is our own fresh or virgin wool and how much of it may be some other product, whether cotton or reworked wool. We think the time has come in this country when every man should know what he is buying, just as well with the food as with our fertilizers, just as well as with our clothing. We think this is a question that must come up to the people, and we are demanding things that we have never before demanded. We think we are entitled to know what we are paying our money for. So, as individuals in that section, whether woolgrowers or whatever business we may be engaged in, we feel that we are coming to you to ask something that will be to our individual good, and that will reach and help every family in our part of the country.

Now, I think that just covers the testimony I wish to give. We represent in the county of Washington, Pa., about 2,700 or 2,800

all work against our business. If we had a law, as we see it, that would compel the manufacturer to brand his manufactured fabric as it is, for what it contains, we think it would increase the demand for our product. Anything that increases the demand for our product would increase our business. If we increase our business we can make it more profitable, probably, at least we hope we can, and prices would go down. The price four or five year ago, before the war, was very poor. We were practically all on the verge of going out, but we stayed and we reaped the benefits. Sheep to-day are selling for five times what they were then, per head, in our section, just because the money is in the business. Men do not stay in the business if they do not make profit, if they can avoid it.

Now, I do not know that I can say anything more, gentlemen, that would be of any value to the cause, but we do feel as if the enactment of a law that would protect us in that way would be of great benefit to us as woolgrowers. I thank you.

Mr. JONES. Mr. Hamilton, I understood from Mr. McDowell that there are different kinds of wool. That is right, is it not?

Mr. HAMILTON. Certainly, there are a great many different grades:

Mr. JONES. In what way does the wool differ?

Mr. HAMILTON. In fineness, in strength, in shrinking quality, and in working quality.

Mr. JONES. That all enters into the value of it?

Mr. HAMILTON. Yes, sir.

Mr. JONES. It enters into the basis of your business?

Mr. HAMILTON. Yes, sir.

Mr. JONES. Would you be in favor of tagging wool as to the content of the wool?

Mr. HAMILTON. Yes, sir; we will sell our wool on grade.

Mr. JONES. I do not catch that.

Mr. HAMILTON. We would sell our wool on grade. That is what we are working for. That is what we have established these organizations for, to sell our wool on its merits. Two years ago we sold our wool to the Government and sent it to the Government warehouses, and it was graded into delaine, cross breadths, etc.

Mr. JONES. Was it stamped entirely?

Mr. HAMILTON. No, sir; it was not, only after it was piled. After it was put into grade piles it was graded then and sold on those grades to the manufacturer.

The CHAIRMAN. The committee is obliged to you. Is there anyone else to be heard, Mr. French?

Mr. FRENCH. Mr. Marshall, of the National Association of Wool Growers.

STATEMENT OF MR. F. M. MARSHALL, SALT LAKE CITY, UTAH, REPRESENTING THE NATIONAL ASSOCIATION OF WOOL GROWERS.

Mr. MARSHALL. My name is F. M. Marshall, Salt Lake City.

Mr. Chairman and gentlemen of the committee, I am here to-day representing the National Association of Wool Growers. I intend to take just a very few minutes of your time. I realize how wearisome some of these proceedings are. Our association has its headquarters in Salt Lake City. Our membership is composed chiefly of large-

range sheep raisers, located in Wyoming, Idaho, Montana, and in practically all the 11 range States. They represent, altogether, an ownership of somewhere, as near as can be told, between eight and ten million sheep, which is probably one-fifth or one-sixth of the sheep now in the United States. These members whom I represent to-day are very much interested in this question, as evidenced by this resolution, which was passed at their last annual convention held in January:

Resolved, That we, the National Wool Growers' Association, earnestly urge the protection of both the public and the wool growers of this country; that the Congress of the United States shall, at its earliest possible moment, enact legislation making it compulsory to make known the presence of substitutes for virgin wool, especially shoddy and substitutes in fabrics purporting to contain wool and apparel made from such fabrics.

I feel that I also owe the committee somewhat of an explanation for not having our views, and our material which we think should be presented, in better form. The fact is that the secretary's office has been vacant during the last two months. I have not been in the office since I was appointed, and the material has not been put in such shape as the importance of the matter demands. However, with the argument and data which has been already presented to you, and which covers the situation, I feel there should be no lack on that side.

We are not stipulating regarding the details of the bill, because we believe the committee is better qualified to judge as to how the principles shall be carried out in framing the law. Mr. Chairman, we feel that although we are here representing growers of wool, the buyers of clothing are the ones who are principally interested in Mr. French's bill. We feel that there is very little argument as to the right of the public to know what they are getting when they get textile goods, especially woollen clothes. We feel that the public has a right to know what they are buying. The certainly need to know.

The growers' interest is secondary. We do not know whether it will raise the price of wool or not. We are not disposed to talk very much at these times with regard to the price of wool, although I would strongly corroborate what Mr. McDowell and Mr. Hamilton have said, that in spite of the apparently high price of wool, the profit in producing it is not so much as compared with what it used to be. I will frankly confess that we do not know what the effect of the French bill would be in that respect. We feel that growers are entitled to any indirect benefit that may come to them through giving the public a right to buy fresh or virgin wool if they want it, or something else if they want it, but we believe the public is the party of first interest, and the woolgrowers come second.

We are more concerned with the reputation of our product than we are with the prices under present conditions. We feel that, with the condition as it is coming to exist now, the public in a very large degree are getting a very wrong conception of the value of wool for clothing purposes. We feel that the reputation of our product is in danger and that this legislation is only designed to put the wool sold by growers into fair competition with other materials.

As evidence of the situation in this matter, there is the matter that someone mentioned this morning, regarding the action of the New Jersey Retail Clothiers' Association. The retailer is the man

who first gets the reaction of the public as to any dissatisfaction in buying clothes. It has been stated in public meetings by representatives of retailers' organizations that they can not continue in business with the character of goods they have to offer their customers. It was for that reason that a resolution was passed in January, last, asking for legislation to make known the contents of fabrics purporting to contain wool. I think that action of the New Jersey Retail Clothiers' Association was very significant in support of my argument that the public are vitally interested in this question and are the parties of first interest, and that the situation has reached a critical stage when the retailers of those goods will go on record in support of this legislation, to which the manufacturers from whom they buy, so far as I know, have been generally opposed.

As we understand the question which is before you, it is not the expectation that the use of shoddy and remade and reworked woolen products will be absolutely stopped. We do not think that is the intention. But the intention is that the public shall have the means, as they have the right, to know what it is they are buying. At the present time they are in a very large degree misled in buying "all wool" and other fabrics which are presented to them in a way to lead them to suppose that they are the best quality, when as a matter of fact they are very inferior, often because they contain an amount of reworked wool which the purchaser can not detect.

It was stated this morning that the public now has a chance to exercise its right to know the content of what it is buying in the way of food and drugs and in the way of insecticides—as it was stated, "bug powders." We feel that that statement is entirely right and that there is no principle of law to be violated by giving them the same right and opportunity in respect to the clothing that they buy. The gentleman who made that statement this morning, I believe, overlooked one consideration. They not only have the right to know the content of the product in the case of food, drugs, and insecticides, but also in the case of automobile tires. There was a case handled by the Federal Trade Commission right along the line of the question presented in Mr. French's bill. I shall not read any description of the manner in which the remade tire was constructed. It was a remade tire, reworked from partially worn tires and made over to look like a new tire. The order of the commission was that this company and its employees should cease and desist from "making representations by verbal statements, or statements in advertising matter, or otherwise, which are calculated and designed to create the belief and impression among the consumers of automobile tires that rebuilt and reconstructed tires, restamped with new names and brands, are new tires manufactured from new and unused material," and also to cease and desist from "selling or offering for sale rebuilt and reconstructed automobile tires unless it is plainly and prominently indicated on the said tire that it is reconstructed or rebuilt."

Mr. MERRITT. That was under the general law?

Mr. MARSHALL. That was under the law in regard to unfair competition, I presume. Therefore, we believe, under our laws and Constitution, that it is quite within reason to give the public the chance to know when they are buying remade or reworked wool goods as well as other products.

It has been stated here that this proposed legislation is also a protection to the honest manufacturer. I do not quite agree with stating it that way. I do not like to appear to support any implication that the men who do not now mark the amount of shoddy in their wool are necessarily dishonest. I do not think that would be a fair statement, but we are stating that the manufacturer who wants to put in all fresh wool or virgin wool in his manufactured garments now meets unfair competition in that other goods on the market can have just as strong representations made regarding them as he can make regarding his own goods which are of a decidedly superior character.

There are many questions which will come up in regard to the technical and other phases of the question in these bills. Much may be said regarding the possible merit of some shoddy and the possible low value of some virgin wool. I recognize that it is a hard question to draw the line as to what is shoddy and what is not, but it has to be drawn somewhere. I have no doubt that a remade automobile tire may be a better tire than a new tire, but they are required to be marked as reconstructed tires. No doubt oleomargarine and some other food products sold under a specific mark are at times better than the original. But the principle has been established that the line has to be drawn between material in its original form and after being reworked or processed. It seems to be only logical in this case to draw it as provided in Mr. French's bill to require the plain marking of material that has been previously spun or woven into cloth.

Now, you have the same thing again in renovated butter. I think we all agree and we all know that some renovated butter that has had a lot of material removed from it is actually superior to some of the original butter. Nevertheless, the law requires that it shall be marked and sold as renovated butter. The law also requires that it shall pay a tax, but nothing of that kind has been mentioned in this bill. Whatever may be said about the inferiority of some of the virgin wool and the superiority of some of the shoddy, I can not see where you can draw the line except between reworked wool and virgin wool.

Now, Mr. Chairman, we can not admit that there is any room for argument on the principles in this bill. The other bills that have been presented are before you and we believe that, so far as they go, most of them are good, but we do not think they go far enough. We think that the public and, secondarily, the growers are entitled to whatever may be the result of marking these goods to show what they contain. We are not concerned with the details and technicalities of the matter. We feel that you are more competent to handle those details than we are to suggest them, and our members are relying on the judgment of the committee to give us a law that will give the public its rights and the woolgrowers whatever benefit may come from the operation of a law which allows the public to know clearly and at all times what it is buying.

Mr. JONES. How far do you think the Government ought to go in protecting the purchasers of necessary articles?

Mr. MARSHALL. I think the principle has been established pretty clearly in the pure-food act.

Mr. JONES. It is a question of how far you could go and how far you would have to go.

Mr. MARSHALL. I believe the principle of fair labeling of fabrics is identical with that of labeling food and drugs. Unless provision can be made for doing both, it would only be consistent to repeal the food and drugs act.

The CHAIRMAN. Do you want to be heard, Mr. Murphy, for a few minutes?

**STATEMENT OF HON. FRANK MURPHY, REPRESENTATIVE
IN CONGRESS FROM THE EIGHTEENTH OHIO DISTRICT.**

Mr. MURPHY. Mr. Chairman and gentlemen: I just want to add a word. Representing, as I do, a district made up largely of farmers who are engaged in wool growing, and having received many letters from my constituents, as well as resolutions passed by granges indorsing the so-called truth in fabric bill, I want to urge as strongly as I can that you make a favorable report of the bill now under consideration. I appreciate that Mr. French has presented the case of the farmer in a most comprehensive manner, and I hope that this committee will report out a bill that will be satisfactory to my farmer constituents as well as all others who are interested in knowing just what per cent of wool clothing contains when offered for sale.

The CHAIRMAN. The committee will adjourn to meet to-morrow at 10 o'clock.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Washington, D. C., Saturday, March 20, 1920.

The committee met at 10 o'clock a. m., Hon. John J. Esch (chairman) presiding.

The CHAIRMAN. The committee will come to order. When we adjourned last evening Mr. Bonyngé was to appear in support of the French bill, H. N. 11641. We will be glad to hear you, Mr. Bonyngé.

STATEMENT OF MR. ROBERT W. BONYNGE.

Mr. BONYNGE. Mr. Chairman and gentlemen of the committee, for the purposes of the record I may state that my name is Robert W. Bonyngé, and that I appear on this occasion as counsel for the American Sheep and Wool Bureau of America, which is an organization made up of representatives of the sheep and wool industries and allied industries of the United States. Its purpose is similar to that of other trade organizations for the legitimate development of the industries which they represent, and for the promotion of the welfare of the members of the organization; and we trust, also, for the public interest.

The association that I represent, in common with a large number of other associations, has indorsed the principles and underlying features of the French bill. This committee has undoubtedly received a number of letters and resolutions from woolgrowers and woolgrowers' associations as well as from other allied industries and organizations thereof indorsing the legislation along the fundamental principles and features of the French bill.

The very exhaustive and illuminating discussion, in speaking on that bill, made by my friend and former colleague, Mr. French, of Idaho, yesterday, will, I think, make it unnecessary for me to discuss at length some of the points which I had expected to present to this committee.

It will be my aim, gentlemen, so far as it is possible, to avoid mere repetition. I have no desire to trespass upon the valuable time of this committee. But it may be necessary for me, as laying the foundation for some of the points I desire to present to the committee, to refer briefly to some of the arguments that have already been presented to the committee, and in doing so I crave the indulgence of the committee.

I think it may be assumed now that the committee is satisfied, both from the resolutions that have been presented by various organizations throughout the country, and by the comment that has been found in the public press, as well as by the number of bills that have been introduced in this Congress, that there is a real public demand for legislation upon this subject, and that demand is founded upon a real public need. That demand has found expression in this Congress by the introduction of four or five different bills, and they are of two separate and distinct classes. We have the bills introduced by Mr. Rogers and by Mr. Barkley, which may be denominated the misbranding bills, founded largely upon the British marks merchandising act. Those bills do not provide for compulsory branding, in any instance. They are simply, as the bills speak for themselves, misbranding bills, leaving to the manufacturer the option whether he will brand his goods or not, but simply providing that if he does brand them he must not misbrand them within the meaning of misbranding as defined by those acts.

The only difference that I can find between the Barkley bill and the Rogers bill is that the Rogers bill is perhaps a little broader than the Barkley bill. The Barkley bill limits its provisions simply to misbranding, whereas the Rogers bill goes further and prohibits not only misbranding, but misrepresentation or false trade description, and defines misbranding and false trade description. I think it has been very clearly proven to this committee that the misbranding bills will not meet the conditions as they exist in the trade of fabric manufacturing. The evil that is sought to be corrected by the truth in fabric bill, and it is one that vitally affects the public interest, is that the term "all wool" is an alias for virgin wool, by which the people are forced to accept wool shoddy as a substitute for virgin wool and to pay the price of virgin wool for the substitute. That evil can in no measure be corrected by either of the misbranding bills. I am not here in opposition to those bills, for they may be necessary, but they do not meet the conditions that exist in the manufacture of woven fabric.

Fabric that is sold as an all-wool fabric is understood by the public generally to be virgin wool, wool that has not been used theretofore. That is the general acceptance of that term by the public generally. While those engaged in the trade may know the distinction between all wool and virgin wool, the great mass of the people draw no such distinction, and the misbranding bills would in no way draw to their attention that distinction. In order to determine whether a fabric sold as an all-wool fabric would be a

misbranded article, we have to turn to the provisions of the Rogers bill to ascertain what is meant by misbranding.

Section 5 of the Rogers bill defines what shall constitute misbranding. The only provision or subdivision of that section that could by any stretch of the imagination be applicable to the situation as we find it in the manufacture of woven fabric is subdivision 5, which reads as follows:

Sec. 5. That for the purposes of this act an article shall be deemed to be misbranded or misrepresented—

First. If it be an imitation of and offered for sale under the name of another article.

Of course, a fabric branded as all wool, even though it contained only shoddy, second-hand or third-hand wool, would not come within that definition. It would not be offered as an imitation of another article. It would be what it purported to be, all wool, and therefore would not be misbranded within the meaning of this act. That subdivision then proceeds:

or with a name or brand so nearly like it as to deceive purchasers as to its origin or character.

Mr. DEWALT. Suppose it was branded "all virgin wool."

Mr. BONYNGE. If it was branded "all virgin wool" and contained shoddy, then of course it would be misbranded; but it would not be branded "all virgin wool." It would be branded "all wool," in all probability, and then sold as it is now sold, in the place of virgin wool and at the price of virgin wool.

Neither would it be a false description as defined by the act.

Section 6 designates what shall be a trade description. It reads as follows:

Sec. 6. That for the purposes of this act the expression "trade description" means any description, statement, or other indication, direct, or indirect—

(a) As to the number, quantity, quality, grade, measure, gauge, or weight of any goods; or

* * * * *

(d) As to the material of which any goods are composed.

These are the only two subdivisions of the section defining trade description that could have any applicability to the subject under discussion.

What I have said in regard to misbranding applies with equal force to false trade description as defined by the bill. The garment or fabric branded as "all wool" would not be in violation of either the definition of misbranding or of the description as given by the Rogers bill if the garment or fabric were composed of all wool shoddy. Consequently, gentlemen, instead of correcting the evil that is sought to be corrected by the truth-in-fabric bill, the fact is that you would perpetuate and you would legalize just the very deception that is now practiced upon the public by selling a garment as all wool that is composed, in fact, of shoddy or second or third class wool. Therefore I say that the passage of the Rogers bill or any other similar bill, unless it is accompanied by some bill that deals specifically with the articles of woven fabric or articles of apparel made therefrom, instead of correcting the evil that is sought to be corrected, would simply legalize and intensify the deception that is now practiced upon the public.

The other two bills that are before this committee are the French bill and the Rainey bill, both of which are confined specifically to the manufacture of woven fabric, and of articles made therefrom, and

differ only in the respect that the French bill provides a machinery for the enforcement of the act, whereas the Rainey bill simply leaves it to the Department of Justice to prosecute those who violate its provisions, without providing any special machinery for the enforcement of the act. Later I shall discuss the Rainey bill in more detail.

At the very outset of the consideration of these different bills, several queries will suggest themselves to the members of this committee, and indeed they are indicated by some of the questions propounded by members of this committee, whether or not, first, it is not possible to pass one general bill dealing with all commodities that are sold; and, second, whether or not the doctrine of the old common law, *caveat emptor*, is not sufficient to protect the public without any special legislation at all on this subject.

I will take up first for consideration the second point I have mentioned. Those of us who are lawyers well understand the doctrine that is expressed in the Latin phrase *caveat emptor*; "let the purchaser beware." We know it is a rule of the common law, still operative and in force except as modified by statute, that in the purchase of personal property the purchaser makes his purchase at his own peril and his own risk, unless he demands and receives some guarantee either as to the quality or the quantity of the goods. By reason of the fact that through the development of modern chemistry it has become impossible in many instances for the purchaser, by the inspection of an article of personal property he is purchasing, to determine whether or not it is what it is represented to be, the legislatures of many States of the Union, as well as the Congress of the United States, have found it necessary in special instances to enact legislation dealing with different subjects. The theory of the old common law was that a purchaser could examine the article that was offered for sale and determine for himself, by such inspection, whether it was what it purported to be, and after he had made the inspection he made his purchase at his own risk. But it has been found, as I have said, that in certain cases it is impossible for the purchaser, by an ordinary inspection, to determine whether or not he is getting what he paid for, and so in the public interest Congress has passed the pure food law, the drug law, the insecticide act, and the oleomargarine law, and the legislatures of the States have enacted other legislation dealing with specific commodities which, by their nature, are such that the public can not protect itself against the imposition of imitations or fraudulent articles. I understand that in New Zealand an act has recently been passed, dealing with the subject of leather; and so it may be that in the course of time not only may it be found necessary to deal with woven fabrics, but there may be other industries which will require separate and distinct treatment by Congress.

I believe Mr. Jones inquired yesterday "How far shall we go in that respect? How many acts of this kind will Congress and the legislatures of the various States be called upon to enact?" I can not answer that question, gentlemen. Neither do I think that the members of this committee can frame an answer to it. That will altogether depend upon the development of the different industries, and it will depend upon the demands of the public whether or not in any particular industry the people are being deceived to their detriment, requiring special legislation either by Congress or by the legislatures of the various States to protect the people in cases where

they are unable to protect themselves. And when that demand arises I have no doubt that it will find responsive action in the legislatures of the States and in Congress. I know that when the demand becomes sufficiently insistent Congress, as always heretofore, has been found thoroughly responsive and willing to accord to the people the protection which they require. And so it is impossible for you gentlemen sitting here to-day to say, "Thus far shall we go, and no further." You will have to determine as conditions grow and develop how far you shall go, and you can not lay down at the present time any fast rule by which you will be governed. To-day you are presented alone with the question whether the manufacture of woven fabrics and of garments made therefrom presents a condition that requires individual treatment and that can not be covered by general legislation. I submit that the argument made by Mr. French has demonstrated conclusively that the conditions in that trade are so different from those that prevail in the ordinary sale of commodities that it does require special treatment by special legislation designed by adequate provisions to guard the people. The reason for that is that there is no way by which the public can determine by an inspection of the garment that is offered for sale, or the fabric, whether or not it is what it purports to be; whether the people get what they pay for or have the right, as Mr. Rogers expressed it yesterday, to get whatever they desire and to be assured that in the purchase they do get what they have attempted to purchase. Consequently, I take it, gentlemen, that it has been demonstrated that in the matter of woven fabrics and articles or garments made therefrom the conditions are such that they require special treatment at the hands of Congress.

And that brings me, then, to the two bills that have been presented that deal specifically with this subject. The branding bills, let me say before I conclude on that subject, cover all commodities; they are not confined to woven fabrics, and there is no objection to their passage, provided they are accompanied by a bill that deals specifically with the conditions as they exist in the manufacture of woven fabrics.

My friend, Mr. Rainey, has introduced a bill which is identical in principle with the bill that I am advocating. He has simply contented himself with providing that there must be a compulsory branding of articles or fabrics made from wool, and of articles or garments made therefrom, and prescribing penalties for violation of the act. There his bill stops. It does not define the terms that are used in the bill. It does not say what shall constitute wool—virgin wool, shoddy, reworked wool, or the other terms used in the bill.

Let me call your attention to one fact in connection with that bill that I think clearly shows the necessity for some additional machinery to secure the enforcement of the act. There is no provision in the Rainey bill that will prevent the flooding of this market by imported goods, whether branded or not, or whether correctly branded within the meaning of the Rainey bill. Under that bill it would be possible for a foreign manufacturer to introduce into this market a woven fabric, either without any brand upon it or with a false brand upon it, and the criminal laws of this country could not reach the importer. The only way effectively by which you can guard against that condition is by providing some machin-

ery whereby the Treasury Department can determine, when the goods are received at the customhouse, whether or not they are such as under the laws of this country are entitled to be received and to enter into the commerce of the country. Therefore, you must set up some machinery.

But my friend Mr. Rainey says that if you set up the machinery that is provided for in the French bill it will be an enormous expense to the people of the United States. I thoroughly sympathize with the desire of Congressman Rainey and the Members of the House, particularly at this time, to limit as far as it is possible for them to do so the expenditures on the part of the Government and not to reach out into new fields requiring additional force on the part of the Federal Government, and expenditures which may amount to considerable. That is a very laudable purpose. But I submit to you, gentlemen, that if you take the pure-food bill, the expense of which, according to the information received by Mr. French, in its enforcement, has amounted to something like \$500,000 or \$600,000 per annum—I believe that is the amount that you stated, Mr. French?

Mr. FRENCH. Yes.

Mr. BONYNGE (continuing). While that may seem to be a large sum, considered in prewar days, at the present time, when we are dealing with billions, it does not seem so large to us; but, even regarding it is a large sum, I ask you, gentlemen of the committee, whether there is any member of this committee, or whether you think there is any Member of Congress, who would to-day vote for the repeal of the pure food and drug act? Are you not satisfied now that the machinery provided for in that bill and its provisions have worked in the public interest and that the expense entailed by the passage of that bill has more than been justified; in short, that the people have received the full benefit of the expenditure of that money?

The CHAIRMAN. Mr. Bonynge, I remember when Congress passed the meat-inspection bill, I think in 1903——

Mr. BONYNGE. Yes.

The CHAIRMAN (continuing). That the appropriation that was made in subsequent years to carry out its provisions amounted to \$3,000,000. I do not know what the amount is now, but presumably it may be larger than that; but the larger expenditure in connection with the meat inspection was due to the fact that at every packery they had to have Government inspection.

Mr. BONYNGE. Yes.

The CHAIRMAN. It seems that it was necessary for the inspector to inspect the meat after slaughtering, in order to see whether the meat was diseased or not. Would it be necessary in carrying out the provisions of the French bill or the Rainey bill, to have at every large factory and producing establishment a Government inspector?

Mr. BONYNGE. Absolutely not, Mr. Chairman.

The CHAIRMAN. Then there is a difference between the two measures in the matter of administration.

Mr. BONYNGE. Yes, because, as Mr. Rainey clearly pointed out to this committee, this bill would practically be automatic. The various competitors engaged in the manufacture of fabrics would be watchful of each other. It would be necessary to make an inspection only where some suspicion was cast upon a particular manufacturer. As Mr. Rainey stated, it is not at all likely that one out of a thousand

American manufacturers would violate the provisions of the law and if they did, then and only then would the Government be called upon to make an inspection of their goods. It is always within the power of the Congress to regulate what shall be the expenditures under the bill; but there must be some machinery for its enforcement provided for in the bill itself in cases where it may be necessary. There will be not only the competitors of those engaged in the manufacture of woven fabrics who will be watching each other, but there are numerous civic organizations, such as the vigilance committee of the Allied Advertising Clubs, which is endeavoring to prevent false advertising, which will necessarily be very watchful in such a situation.

Mr. MERRITT. This bill does provide that these inspectors may inspect the books of every person engaged in the manufacture of woven fabrics. May I ask you there, is it not usually true, however, that wherever a department has the right to put in an inspector and inspect books, the tendency is to do it?

Mr. BONYNGE. The tendency of the department is undoubtedly to extend the operations of the law as far as they can. I can not dispute that.

Mr. MERRITT. Do you think it is a good thing in itself to throw open the books of every factory in any line, I do not care whether it is the rule or not, to Government inspection?

Mr. BONYNGE. They are practically thrown open now, under the income-tax law.

Mr. MERRITT. Yes; but not at the suggestion of competitors.

Mr. BONYNGE. Not at the suggestion of competitors; no. I do not think it would be. Neither would it be necessary to go to the books, except in unusual cases. In many instances the inspection of the article itself through the Bureau of Standards, or whichever bureau is selected by the heads of departments, as provided for in the bill, may be designated to conduct the inspection, would determine whether the article was different from what it was branded.

Mr. SIMS. Are not the books of private manufacturers now thrown open to inspection under the Federal Trade Commission law, and is it not being actually carried on?

Mr. BONYNGE. I so understand.

Mr. WINSLOW. If you thought it would be safe to rely on the honor of the manufacturers to guarantee the character of woolen textiles to be produced by the manufacturers, would it not be also safe to rely on the manufacturers of those woolens to see that misrepresentation was not held forth with respect to the goods made of the woolens?

Mr. BONYNGE. If it was purely a misrepresentation, that might be true; but there is no misrepresentation in selling shoddy, if it is all wool, as being all wool.

Mr. WINSLOW. Would you rather discuss that now, or wait a little while?

Mr. BONYNGE. I will answer your questions now.

Mr. WINSLOW. I have several questions on that line.

Mr. BONYNGE. I am ready at any time.

Mr. WINSLOW. I want to ask you, not to annoy you, but to find out the fact——

Mr. BONYNGE. Certainly.

Mr. WINSLOW (continuing). Would you assume to qualify as an expert on the manufacture of woollens?

Mr. BONYNGE. No; I do not. I can not assume to be an expert on the manufacture of woollens. I have never been engaged in that business.

Mr. WINSLOW. It seems to me that there are two divisions of this question in our minds; the interest of the woolgrower, which we all respect, of course, and the other is the interest of the business man who has to meet the conditions. That I think you will agree to.

Mr. BONYNGE. Yes; but I would have to add another interest to that.

Mr. WINSLOW. Yes?

Mr. BONYNGE. That is the interest of the general public.

Mr. WINSLOW. Yes. Well, that will grow out of either of the others. Now, can you tell me what percentage of woollens would be subject, under present conditions, to any controversy with respect to the ingredients that went into the cloth?

Mr. BONYNGE. I could only answer that by saying that the statistics show that there is not a sufficient amount of virgin wool produced in the world to provide more than one suit of three and a half or four pounds for each inhabitant of the United States and Europe, and that consequently there must be a very large proportion of goods sold as all wool that to-day contain shoddy.

Mr. Redfield when Secretary of Commerce, I believe in a statement or in a letter, stated that the virgin wool crop was not sufficient to produce more than one-third of the annual production of woven fabrics.

Mr. WINSLOW. There must be somewhere in our commercial reports a statement showing what percentage of woollens contain only virgin wool.

Mr. BONYNGE. I do not believe there is any such record. I do not know where it could possibly be obtained.

Mr. WINSLOW. Are there not some grades of cloth that have nothing in them but virgin wool?

Mr. BONYNGE. I assume that is true.

Mr. WINSLOW. You do not happen to know what they are?

Mr. BONYNGE. No; I assume that is true. I assume also, from such investigation as I have been able to make, that it is a very limited amount of goods. I imagine that this suit of clothes which I am wearing, although I think I paid a sufficient price for it to get virgin wool, probably contains shoddy.

Mr. MERRITT. It is a good-looking suit, though.

Mr. WINSLOW. It is your contention that clothes made of virgin wool—all virgin wool—are better than cloths made of shoddy?

Mr. BONYNGE. Not at all. Neither do I think that that is the question, as to the merits of virgin wool and of shoddy. This is a question of fair, honest dealing; of letting the public know whether they get what they purchase. The people will determine for themselves, if this bill is enacted, whether virgin wool is better than shoddy; and if shoddy is better than virgin wool, if it has one-tenth of the merit that shoddy manufacturers contend that it has, then shoddy will sell much more readily than virgin wool. Undoubtedly there are some grades of virgin wool that are not as good as some shoddy that is upon the market. I would not for a moment contend

that the coarser grades of virgin wool are better than some of the shoddy that is sold. But it is not the coarse grades of virgin wool that come in competition with the high grades of shoddy; it is only the highest grade of virgin wool that is in competition with the high grades of shoddy. And by reason of the fact that the public can not determine the difference between the high grade of shoddy and the high grade of virgin wool, the manufacturer of shoddy is given the opportunity to, and I think that the price of his goods demonstrates that he does, get the price of the virgin wool for his substitute, which affects not the interest of the woolgrower alone, not the interest of the manufacturer of shoddy alone, but affects the third interest that I referred to in answer to your question a while ago, the interest of the public, which is the special interest that you gentlemen are concerned with.

Mr. WINSLOW. It is only one of them. I do not think it is special at all. You not only have to consider, in manufacturing, what the public would like and what is fair to them, but also whether they can get it; and the manufacturer is of very great importance. Now, to illustrate, I do not know anything about woollens or textiles at all, but I do know something about machinery, and it seems to me—I will have to elaborate this a little—that before the committee can arrive at a conclusion as to the final benefit to come from a such a proposition as you make, they must consider the mechanical part of it as well as to take other views of the question. Now, my idea of machinery would lead me to feel that for this process of weaving into cloth some sort of an article that has not heretofore been a common custom, it would practically mean that every mill in the United States would have to be so reconstructed as to make the mechanical operation a possibility, first of all, and then a possibility which could be operated so economically as not, perhaps, to interfere even with the well-being of the public. Now, I will ask you if in your research with respect to this matter you or any of your associates have come to the point of determining what this meant from the manufacturing end?

Mr. BONYNGE. We have; and we will have witnesses here, as Mr. French stated yesterday, to show that it is entirely possible from a mechanical standpoint, to stamp on the back of every yard of woven fabric the contents contained in that fabric, and that that can be done without remodeling the machinery of the various plants engaged in that manufacture, and at an expense to the manufacturer, as I am advised—and as I expect that the witnesses who will appear before the committee will demonstrate—not to exceed one-fifth of a cent per yard.

Mr. WINSLOW. Does this bill limit the time or indicate the time when it shall go into operation?

Mr. BONYNGE. Yes; and as Mr. French pointed out, it further provides that it shall not apply to the goods that are at present manufactured. The provision in that respect is as follows:

SEC. 19. That this act shall be in force and effect from and after the 1st day of July, 1920, as applied to manufacturers, importers, dealers, or other persons mentioned herein, when manufacturing, importing, or dealing in woven fabric and garments or articles of apparel manufactured from such fabric, or imported into the United States after that date.

Mr. WINSLOW. Is it fair for us to assume that you have gone far enough into this question to be certain that if the bill were passed

to-day on the lines of what you have suggested, every manufacturer of cloth could be properly equipped by the 1st day of July to make these products?

Mr. BONYNGE. Yes; I think it is perfectly fair to assume so, and I think our witnesses will so prove to you.

The CHAIRMAN. Of course the 1st of July, 1920, was inserted by Mr. French at the time he introduced this bill.

Mr. BONYNGE. Yes.

The CHAIRMAN. He introduced the bill in January.

Mr. BONYNGE. Yes.

The CHAIRMAN. Of course the date is subject to change.

Mr. BONYNGE. I think it can be done.

The CHAIRMAN. This is March.

Mr. BONYNGE. But there would certainly be no objection if you made it later than that date, so as to give the manufacturers ample opportunity to comply with that provision without any hardship to them.

Now I have said that the real interest to be considered here is the public interest. Undoubtedly the woolgrowers have their special interest in the legislation, but if that interest conflicts with the public interest, then their interest ought not alone to be considered. I think it can be demonstrated here that the interest of the woolgrower is really the interest of the general public. Probably there are no two objects that Congress desires more to accomplish at this time than to curb profiteering and to encourage the production of the necessities of life. Both of those objects will be facilitated, in my view, by the passage of this act.

Considering the bill from the public standpoint, regardless of the interests of the wool manufacturers or of the shoddy manufacturers, the real, substantial benefit that would come to all the people of the United States is that by the enactment of this legislation you would destroy the opportunity that is afforded and taken advantage of by shoddy manufacturers to obtain for their goods the price of the original; that is, virgin wool.

Mr. WINSLOW. There, again, I want to ask you, in order to get this straight: You have now made a suggestion that would indicate that the price of shoddy cloth would be less than the other, ordinarily and properly; yet I understood you to say a few moments ago that that need not necessarily be; that shoddy might be more expensive than virgin wool.

Mr. BONYNGE. It may be.

Mr. WINSLOW. By which the manufacturer would be entitled to get a higher price. Now, which one of those positions do you want to take?

Mr. BONYNGE. I want to take the position, which I think is absolutely correct, that if this legislation should be enacted, the unhampered sway and scope of economic laws will determine that question, instead of our having it determined as now, not by the public themselves but by the manufacturers of shoddy. I am speaking now of the conditions when I say that at the present time shoddy manufacturers are able to get the price of virgin wool,

of the conditions as they exist now. When this bill is enacted, then the conditions would be entirely different and each would stand upon its own merits.

Mr. WINSLOW. Does that statement which you made—I am merely asking for information, you know——

Mr. BONYNGE. Certainly, Mr. Winslow.

Mr. WINSLOW (continuing). Does that statement that you make, that under present conditions shoddy manufacturers are able to get the price of virgin wool material, suggest a profiteering on the part of the shoddy manufacturer, or are you prepared to allow that they are in some cases entitled to the price of the virgin wool?

Mr. BONYNGE. That I can not answer; because that the public will answer. Economic law will determine that.

Mr. WINSLOW. How?

Mr. BONYNGE. The demand for the goods will determine it. After you take away the conditions which now exist, whereby the public are purchasing shoddy assuming that they are getting virgin wool, and allow the unhampered sway of the law of supply and demand and other economic laws to determine the value of these goods, then the public themselves will determine.

Mr. WINSLOW. As to the consideration of values, which I understood you to be talking about for the moment, is there any economic theory on which you could suggest that the manufacturer of shoddy goods should not get as much as if they were all wool, if they were as good or better?

Mr. BONYNGE. Absolutely not. If they were as good or better, they ought to get as much for them as for virgin wool.

Mr. WINSLOW. Would you not suggest, in regard to price and value, to get down to the question of informing the public clearly what they are getting, regardless of value?

Mr. BONYNGE. That is exactly what we seek to do by this bill, to inform the public as to what they get; and when they are informed as to what they get, then the general economic law will come into play and determine the real value.

But that is not the present condition. At the present time, as Mr. French showed you, the manufacturer of a woven fabric can secure the shoddy that makes up the fabric at about 50 cents a pound, I believe he said.

Mr. FRENCH. Yes.

Mr. BONYNGE. Approximately 50 cents a pound, or \$2 for the material that would enter into the ordinary suit of clothes. But if he was to purchase the virgin wool necessary to make up a suit of clothes, he would have to pay for that virgin wool \$2 a pound, or it would cost him \$8 for the amount of material that would enter into a suit of clothes.

If, at the present time, he is able to sell the shoddy as the virgin wool, he is able to get the price of virgin wool, namely, \$8, for his material that enters into the suit of clothes, plus whatever legitimate profit he is entitled to for the manufacture of the goods, instead of the \$2 which he paid as the original cost of the material that entered the goods; and that cost is not the only expense to which the public is subjected in the price it pays for the goods, but it is multiplied once or twice over, necessarily, in the course of the handling of the fabric from the manufacturer before it reaches the ultimate con-

sumer; so that by the time it reaches the ultimate consumer, instead of its being \$6 that the shoddy manufacturer has gotten in excess of what is his legitimate price, he has gotten perhaps \$12 or \$15.

Mr. MERRITT. Who gets it?

Mr. BONYNGE. The manufacturer.

Mr. WINSLOW. Do you mean, now, taking a standard grade of virgin wool and comparing it with any old shoddy?

Mr. BONYNGE. No; that is assuming you took the very best shoddy and the best kind of virgin wool with which he comes in competition.

Mr. WINSLOW. And your assertion is that in the market the shoddy cloth is bringing as much as the other?

Mr. BONYNGE. Yes.

Mr. WINSLOW. Can you demonstrate that in any way, by any testimony, Mr. French, if you have it? Have you any statistics or facts or invoices or exhibits to show that shoddy is actually bringing as much as virgin wool?

Mr. FRENCH. I thought that I had developed that idea yesterday when I said that in my judgment practically all of the people of this country assume from their understanding of the trade words "all wool," that they are buying virgin wool materials and fabrics, and they are paying for them what they assume to be the price for a virgin wool article.

Mr. WINSLOW. I respect your judgment, but I was looking for concrete examples to demonstrate the assertion that Mr. Bonyngé makes that that is a fact.

Mr. BONYNGE. I think Mr. French referred to or read a statement from fiber manufacturers.

Mr. FRENCH. From Fiber and Fabrics.

Mr. BONYNGE. From Fiber and Fabrics, a trade paper, which asserted as a fact that in the very best establishments shoddy is contained in the goods that are sold to the public.

Mr. WINSLOW. Do you think that the maker of that statement would be willing to come and help you out by giving testimony on that?

Mr. BONYNGE. I could not answer for anybody else but myself. I certainly could not answer for him.

Mr. WINSLOW. I just asked your judgment about it.

Mr. BONYNGE. There may be reasons why he would not do so.

Mr. FRENCH. May I suggest that if he would not, it certainly lends a great deal of credence to his statement made at the time he was not thinking of this discussion.

Mr. WINSLOW. There are several ways of answering that.

Mr. BONYNGE. This shows the public interest in this situation. It is this condition that accounts for the exorbitant price of clothing today, undoubtedly. We do not assume to say by this legislation that shoddy shall not be used. There is no provision in the bill anywhere that prevents a manufacturer from using all shoddy if he wants to, or part shoddy. All that we seek to do by this legislation is to require that the manufacturer shall give to the public the knowledge which the public is unable to obtain by an inspection of the article, regarding the contents of the article; and once the public gets that information, once the public is able to know what it is purchasing, then and not until then does the question of the relative merits of either of these materials enter into the discussion,

and the relative merits of those various materials will be determined not by the manufacturer, but by the demand of the public; and if the shoddy is better than the virgin wool, then shoddy will command the price that it ought to command in the market.

A question was asked, and I think has been referred to again this morning, whether the enactment of this bill would not increase the price of virgin wool. Now, as I have said before, Mr. Winslow, I do not think you can absolutely determine whether it would or not.

Mr. JONES. It is a fact that there will not be enough virgin wool to clothe the people of the United States?

Mr. BONYNGE. Absolutely.

Mr. JONES. And it is also a fact that there are a certain class of people that will classify the quality of their clothing, and they will assume that virgin wool is better than anything else?

Mr. BONYNGE. Possibly.

Mr. JONES. That will be the common acceptance?

Mr. BONYNGE. On the part of some people, possibly.

Mr. JONES. May not the effect of that be, in the light of the production, to put an enormous price on all-wool clothes?

Mr. BONYNGE. I think not. As the matter stands to-day, you have fallen into just the trouble, exactly, that exists in this matter, because you speak of "all wool" as if it were virgin wool. That simply emphasizes the condition as it exists with the public generally, and you are expressing the interpretation placed by the public generally upon the contents of woven fabrics by referring to an "all-wool" fabric as a virgin-wool fabric. It may be true that there may be some people who would prefer virgin-wool garments, those that contain exclusively virgin wool, and that is their right and privilege. The number of such people would be extremely limited. The only people who can obtain virgin wool in their garments now are the very rich or the very comfortably fixed.

Mr. JONES. Let me put another question to you. You spoke of your own suit of clothes a moment ago.

Mr. BONYNGE. Yes.

Mr. JONES. Is it not true that the price a person pays for an article is regulated largely by his pocketbook and his resources?

Mr. BONYNGE. Not altogether. If I could regulate the price of my clothes to the size of my pocketbook, I would not pay what I do for them.

Mr. JONES. If you had picked out that suit, you would have paid more or less, if it was stamped?

Mr. BONYNGE. Stamped "virgin wool"?

Mr. JONES. Yes.

Mr. BONYNGE. That would depend on whether I wanted virgin wool or whether I wanted shoddy, and which I considered better. If I found by experience that a suit which contained shoddy was better than one made of virgin wool, and cost me less, I would certainly buy the shoddy.

Mr. JONES. Then the price would not be regulated by what it contained, but it would be regulated by your likes and dislikes.

Mr. BONYNGE. Not my likes and dislikes, but what the relative merits of the two materials were that entered into the production of these articles; whereas it is not so now.

Mr. JONES. If you had liked that suit of clothes you would have taken it, regardless of how it was marked or stamped?

Mr. BONYNGE. No; if the stamp was "all shoddy," and I did not consider that shoddy was as good as virgin wool, I might not have taken it. It would depend both upon the material and how it was stamped, and the price that was asked; and it would leave to me instead of to somebody else the determination of what I was to take; whereas under the present conditions I have no way of exercising that choice. If I should go to a tailor today and ask for an all-wool suit, which would probably have been what I would have asked for if I had not learned, through my connection with this legislation, that "all wool" did not mean what I had assumed it to mean, and he had made me a price for an all-wool suit, I probably would have felt it necessary to pay that price; and then I would not have gotten, perhaps, what I had paid for.

Mr. SIMS. As I understand, your theory is this, that virgin wool garments should be sold as such.

Mr. BONYNGE. Yes.

Mr. SIMS. And let one form of virgin wool garments compete with another of virgin wool; and that shoddy or anything not made out of virgin wool ought to have its own field of competition?

Mr. BONYNGE. Let it compete with virgin wool as what it is.

Mr. SIMS. You want them to compete with knowledge of what they are?

Mr. BONYNGE. Yes, sir; absolutely.

Mr. SIMS. You just want them undisguised, and let the purchaser determine for himself?

Mr. BONYNGE. What objection can there be to giving the public this information? What sound reason can there be advanced by anyone why the public should not have knowledge of the contents of the articles they are purchasing?

Mr. MERRITT. I see no objection, unless, if I may answer your question—

Mr. BONYNGE. Yes.

Mr. MERRITT. I see no objection, unless in the process of giving that information you are going to subject the manufacturers to such trouble and expense as will raise the price of all clothing.

Mr. BONYNGE. Then, in other words, instead of allowing the people to determine what they want to buy, we are going to have it determined by allowing this deception to be practiced upon them.

Mr. MERRITT. I think it is a question whether there is any deception practiced upon them, for this reason, and it seems to me, from what Mr. Jones was asking about, that it has a good deal of basis. If I go into a clothing store, in the first place I usually pick out a man that I think is reliable, and I say that I want a suit of business clothes. I do not ask any questions about all wool or shoddy. I say, "Is this good cloth, and will it wear well?" He says, "Yes." Then, if it is within my means, I buy it.

If a man with a store next door advertises a suit for half the price, in the first place my understanding is that there is a nigger in the woodpile somewhere and I might question his integrity. It is a question of trust, I think. If I find that that man's suit does not wear, I do not go back to him.

You are assuming, it seems to me, that every man is going to be an expert on clothing, to buy his clothes.

Mr. BONYNGE. No; not at all. I am assuming that he is not expert and can not determine by inspection.

Mr. MERRITT. As I understand you, if he was to make an examination——

Mr. BONYNGE. He could not ascertain.

Mr. MERRITT. He would not know whether it was better or worse?

Mr. BONYNGE. No; he would not know whether it was better or worse, but he might be in a position to determine whether the shoddy was better or worse than the all-wool.

Mr. MERRITT. He would have to buy the suit to find that out?

Mr. BONYNGE. Yes.

Mr. MERRITT. It would be left to him anyhow?

Mr. BONYNGE. It would be left, as I said, to follow the general economic laws, and the law of supply and demand, which would regulate that matter.

Mr. JONES. If the shoddy was better than the virgin wool, it ought to sell for more than the virgin wool.

Mr. BONYNGE. And it would, if the law was in effect long enough so as to determine whether the shoddy was better than the virgin wool. If it was, he would pay more for the shoddy.

Mr. JONES. If a man lived long enough to determine whether his shoddy suit was better than a virgin-wool suit, he would buy shoddy suits?

Mr. BONYNGE. Yes.

Mr. JONES. But do you think that the American public will accept the proposition that shoddy is better than virgin wool, even though it may be?

Mr. BONYNGE. Do I think they would accept it?

Mr. JONES. Yes; as a fact?

Mr. BONYNGE. I can not answer that. That depends upon the desire of the public. If they found that it was better than virgin wool, I have no doubt they would accept it.

Mr. BARKLEY. If they did determine that, it would be on the theory that the longer a suit is worn the better it becomes.

Mr. SIMS. Perhaps the answer to that would be that a suit of clothes is like liquor, the older it is the better it becomes. [Laughter.]

Mr. MERRITT. Would you have them say, in this instance, shoddy 50 per cent is better than virgin wool?

Mr. BONYNGE. There is no necessity at all, so far as legislation is concerned, to fix the relative merits. That we do not assume to do in the sale of any article. That we leave to be determined by the general law.

Mr. MERRITT. The whole theory of the thing is to inform an innocent purchaser whether he is getting stuck or not?

Mr. BONYNGE. Not at all. The whole theory of this is to give the purchaser the truth and the information that he can not obtain for himself; just exactly as in the pure-food law. He can not tell whether the article is adulterated or not by inspecting the article, and so you require that the manufacturer shall brand it and state what it contains.

Mr. WINSLOW. Is any cloth manufacturer now making any brand that states it is made of virgin wool wholly?

Mr. BONYNGE. I think so.

Mr. WINSLOW. Is that a general practice?

Mr. BONYNGE. I think the name is getting to be used in a general way. It has not been, but it has been found necessary to use that name.

Mr. WINSLOW. All virgin wool?

Mr. BONYNGE. Virgin wool; yes, sir.

Mr. WINSLOW. There are brands of cloth that are so stamped?

Mr. BONYNGE. Not so stamped, I think, but that are sold as virgin wool instead of as all wool.

Mr. WINSLOW. I thought there would be some sort of mark that would identify them as virgin wool.

Mr. BONYNGE. There may possibly be some manufacturer that has a trade-mark that would indicate that.

Mr. WINSLOW. You think that is so?

Mr. BONYNGE. Yes.

Mr. WINSLOW. Are there any great number of them?

Mr. BONYNGE. I can not answer as to that.

Mr. WINSLOW. Is there any way of finding that out?

Mr. BONYNGE. I suppose there must be. Everybody would have the same right, if this bill was passed, to use the term "virgin wool," that does manufacture virgin wool; and consequently it would be no advantage to any single manufacturer.

Mr. WINSLOW. I was wondering, now, if in the market there were any clothes put out by a manufacturer which were sold by reason of the fact that they were sold as virgin wool, and if that trade was increasing because of the appreciation by the public of that information.

Mr. BONYNGE. As to whether the trade is increasing or not I could not say.

But I come back again, gentlemen, and I think the longer you consider this bill the more you will come back to the proposition that the objection to it is based upon keeping the people in ignorance of what they purchase.

Mr. DEWALT. In reference to the inquiries of Mr. Jones and Mr. Merritt, who seem to have thrown out the theory that the purchaser relies largely on his confidence in the seller, how would the fact of stamping these goods in the way you have indicated increase the confidence of the buyer?

Mr. BONYNGE. There is no desire to decrease the confidence of the buyer.

Mr. DEWALT. Would it not rather increase the confidence of the buyer?

Mr. BONYNGE. There is no reason, if a man is manufacturing a good article and he is building up a good reputation for it and the public relies on that reputation, why he should not have the benefit of that reputation. Neither will this bill deprive him in any way of the benefit of that reputation.

Mr. BARKLEY. Would it not relieve the public to some extent of relying in blind confidence upon the salesman?

Mr. BONYNGE. Yes.

Mr. BARKLEY. So that the salesman would not be justified in representing it as a certain thing unless it was marked on the stuff that it was that thing?

Mr. BONYNGE. Yes.

Mr. BARKLEY. And if it turned out not to be that thing, it would not be the fault of the salesman, but of the man that branded it?

Mr. BONYNGE. Yes. And then, if you go to the dealer who has purchased from the manufacturer, he has absolutely no way of determining whether or not the goods he purchases are what he assumes he purchases from the manufacturer, excepting as he may rely upon the reputation of the manufacturer.

Mr. BARKLEY. I did not hear your testimony yesterday. Are you able to say what percentage of cloth is made up of shoddy and what of virgin wool, where they are mixed, or whether the shoddy material is used wholly by itself in the manufacture of cloth or whether it is mixed with other material?

Mr. BONYNGE. The nearest we can come to that is to take the statistics of the amount of virgin wool that is produced, and the requirements of the public for wool. That shows that not a sufficient amount of virgin wool is produced to supply anything like the demands of the people for woollen goods, and that necessarily there must be a large percentage of shoddy used. But so far as I know, there are no statistics that show the percentage of shoddy that is used in connection with virgin wool in the production of woven fabrics.

Mr. BARKLEY. Are there any clothes that are wholly made of shoddy?

Mr. BONYNGE. Yes; I assume undoubtedly there are.

Mr. BARKLEY. Are you able to say from any experience or observation or statistics you have gathered, the relative merits of all shoddy cloth or all virgin wool cloth, as to wearability?

Mr. BONYNGE. There is no question in my mind that so far as durability is concerned any sort of virgin wool would be better for durability than shoddy. Necessarily, a wool that has never been used before would be better than wool that had been used two or three or four times.

Mr. BARKLEY. What do you mean by as good? Do you refer to its appearance?

Mr. BONYNGE. It would be coarse.

Mr. BARKLEY. The virgin wool would be coarser?

Mr. BONYNGE. Some grades of virgin wool; not the high grades of virgin wool. But you are speaking of the various grades. There are various grades of virgin wool and of shoddy. A very coarse virgin wool would not have as good an appearance as a high class piece of all-wool shoddy. I have no doubt that samples will be presented to you of coarse virgin wool, and next to them will be placed some high-class shoddy, and you would immediately say that you would prefer the shoddy on account of its appearance; and if you should prefer it, knowing its contents, there is no reason why you should not be at liberty to purchase it.

Mr. BARKLEY. Ought not that to be the test from an economic standpoint, that the value of a suit of clothes is largely determined by its durability, aside from a certain fad that men have?

Mr. BONYNGE. Yes; but we can not ignore the fads or the fancies or the styles.

Mr. BARKLEY. I understand that.

Mr. BONYNGE. So that all those things should enter into the price of the garment, undoubtedly. It is not only its durability. An article might be extremely durable that you would not want to purchase under any circumstances.

Mr. BARKLEY. Yes, I understand, of course; but you would not want it to be fancy and not durable; and you would not purchase it because it appealed to the eye unless it also appealed to your sense of economy. I was wondering whether, in the economic market, as affecting these various products, there was any way to determine the comparative merits of all virgin wool cloth and all shoddy, or a particular mixture of all wool and shoddy, as to its durability, assuming that the other elements of style and all that were equal.

Mr. BONYNGE. I think we would go far afield if we attempted to designate by any stamp not only the contents of the goods but the relative quality of the goods. It is no function of the Government to determine the relative quality, but it is a function of government, I think, to give to the people of the United States the information as to the contents of the goods in those special cases where the public are unable to determine for themselves whether or not they are getting what they purchase.

Mr. BARKLEY. I agree with you as to the undesirability of the Government requiring any statement as to the quality and durability of goods. Nobody can do that, because one man may wear out in a month what will last another man a year, and all those things enter into it. But assuming now for the sake of argument—which I do not assume as a matter of fact—that a suit made of all shoddy, other things being equal, would last practically as long as one made of virgin wool, would the stamping of that suit of clothes as being made up of all shoddy create any false idea in the mind of the purchaser as to the real value of it?

Mr. BONYNGE. I think not. I see no reason why it should.

Mr. BARKLEY. Suppose he should ask the merchant with whom he trades and whom he has confidence, seeing that stamp on it, whether it was as good or as durable and would look as well and last as long as a virgin suit, what would the merchant be justified in telling him?

Mr. BONYNGE. It would depend upon the kind of shoddy that was used in the fabric; and the purchaser would, I suppose, in a case like that, do very much as he does now, rely on the reputation and standing of the merchant, and the confidence that he had in the seller of the goods.

Mr. DEWALT. Would not that be a matter of general experience?

Mr. BONYNGE. Absolutely; a matter of general experience, to determine.

Mr. BARKLEY. I remember that a year ago there was a similar bill to this, as to shoes, requiring that all-leather shoes should be so marked, and that if they were not all-leather, that they should be so marked; and that has brought about, perhaps, a good deal of confusion in the shoe market, because I remember that it was testified that a shoe that was all leather was not as good as one that was not all leather; that certain parts in the heel and toe could not be made of leather, and yet if they were not made of leather, and that fact was stamped on the shoe, that it was part leather and part fabric, that would create an effect on the purchaser's mind that he was not getting a leather shoe. Would there be any such effect from the stamping of wool clothing as being made of shoddy or all wool?

Mr. BONYNGE. I should say it would be very similar to the case you have referred to, and I see no reason, even in the case of the shoe, why the purchaser should not be given the information as to

whether it is of leather or something else. As I stated before you entered, in New Zealand they have passed an act of that kind.

Mr. MERRITT. As I remember, the objection was made that it would take so much time of the clerk in explaining to the purchaser that the shoe that he was getting was better than one that was all leather.

Mr. BONYNGE. Then you are going upon the theory that it is to the interest of the public to keep from them the knowledge of the real truth.

Mr. MERRITT. That is what he was going on.

Mr. BONYNGE. No; but I say that you are going on the theory that you are keeping from the public the knowledge of the real truth and that that is in the interest of the public, that they should be kept in ignorance; and that, I say, is the foundation of the objection to this bill, that the people must be kept in ignorance or else they will suffer. Now, as opposed to that, I take the position that it is in the interest of good, honest, fair dealing, and in the interest of all the people, that they should have the absolute truth and the knowledge that they get what they purchase, and then leave the relative values and the relative merits of these goods to be determined not by the ignorance of the people but by the experience of the people, and the relative value of the goods as determined by that experience. That, gentlemen, I submit is the real question involved.

The CHAIRMAN. In the trade, is the word "coarse" as applied to the fiber of wool, used as referring to the diameter of the fiber or to the length of the fiber?

Mr. BONYNGE. I think it is to the diameter; is it not, Mr. Briggs?

Mr. BRIGGS. I did not understand the question.

Mr. BONYNGE. The question is whether the word "coarse" refers to the diameter or to the length of the wool fiber.

Mr. BRIGGS. To the diameter, so far as I understand it.

Mr. BONYNGE. That is as I understand it, that it refers to the diameter.

The CHAIRMAN. I understand that at the factories they take from the sheep what are known as pullings; that is, of course, sheep are as a rule shorn and the wool is sent to the factories. I mean the wool that they take from the sheep after they are slaughtered is known as pullings, and consists of very short fiber; and yet it would be possible to utilize those pullings or short-fiber wools in making a garment better than would be a garment made of virgin wool?

Mr. BONYNGE. Yes, sir; better than a garment made of shoddy.

The CHAIRMAN. And yet the fiber might be shorter than shoddy. Is there anything in the analysis that might be made by the Bureau of Standards or the Bureau of Chemistry which would determine whether a garment made out of pullings was not made out of shoddy, or vice versa.

Mr. BONYNGE. That is, whether in the Bureau of Standards they could determine whether the contents of that garment was virgin wool or shoddy?

The CHAIRMAN. Yes.

Mr. BONYNGE. I understand that they can. I understand they can determine not only by the length of the fiber but by its resistance, its durability, its tensile strength.

The CHAIRMAN. Now, virgin wool fibers have scales on them. Of course the scales differ with the breed of the sheep, and in the course of use those scales are worn off so that in shoddy or reworked wool there would be less of the scales. That would make a smoother, more velvety garment. Would that be a means of determining whether a garment was made out of shoddy or virgin wool?

Mr. BONYNGE. I suppose that might be one of the tests applied. And then, so as to give the Government the information which it requires, if it can not be determined in the Bureau of Standards by a physical examination of the article itself, we have provided—and that is the reason for that provision—that there shall in those cases be a right to inspect the books of the manufacturer and his process of manufacture, so that the Government would thereby be able to get the exact information.

The CHAIRMAN. It might, however, be hard to run back to the books of the company all invoices of the wool that went into a particular garment?

Mr. BONYNGE. Into a particular garment, it might be difficult. But you could ascertain from his books whether or not the manufacturer was using shoddy in the manufacture of his fabrics.

The CHAIRMAN. Yes; that would be easy enough.

Mr. DEWALT. With reference to this time that you have mentioned in your bill, to wit, the 1st day of July, 1920—

Mr. BONYNGE. Yes; that is the date fixed in the bill at present.

Mr. DEWALT (continuing). Of course, as you say, that might be changed. But is there anyone here who knows, or do you yourself know, when the usual time is for the making of contracts for the future delivery of cloths, we will say for the fall trade, the winter trade, and so on? I ask this for the purpose of determining as to how it would affect either contracts now existing or future deliveries, or contracts in prospective for future delivery, because that might be a very important consideration.

Mr. BONYNGE. I believe cloths are now being made for the fall trade.

Mr. DEWALT. Those contracts, then, of course would be for the delivery of goods, I suppose, in September?

Mr. BONYNGE. I suppose about that time. I should judge so.

Mr. DEWALT. How would this legislation affect those contracts? Because, if the stamping was required, it would make an additional cost and the manufacturer would be obliged to comply with his contract to furnish the goods, and yet, if this legislation took effect prior to that time, he would be at additional cost and suffer thereby. And so, if the legislation was considered for some time longer in the future, it might affect the contracts for the spring trade. I merely throw out that suggestion to clear my mind as to how it would affect trade relations with regard to future contracts.

Mr. BONYNGE. All that Congress would have to do in that respect, it seems to me, would be to fix the day far enough in advance of the time that the bill was to go into operation so as to give to all manufacturers full opportunity to manufacture all the goods that they are under contract to manufacture, and have that date fixed in the bill; and if July 1 is not far enough ahead to accomplish that result, of course Congress ought to place the date later, even if it was eight, nine, or ten months beyond the passage of the act.

Mr. DEWALT. It was in my mind, therefore, that I would like to have somebody to inform us as to when that date should be fixed to meet the trade relations.

Mr. BONYNGE. We will be very glad to have somebody in the business and familiar with those facts, give the committee that information.

Mr. COOPER. A few moments ago I believe you stated in answer to a question from Judge Barkley that there was no question in your mind but that a piece of cloth made out of virgin wool would wear far better than a piece made out of shoddy. I am inclined to believe that is right.

Mr. BONYNGE. I am answering as a layman in that. That is my own impression. I assume so; because virgin wool has never been used before.

Mr. COOPER. Let us take it that that is right. The public probably does not know that to-day, but under this bill, if it is enacted into law, they will be able to find that out; and if they do, there will be a great demand for goods made out of the virgin wool. What effect will that have on the market price of wool?

Mr. BONYNGE. Temporarily it might increase the market price of wool.

Mr. COOPER. It might have a tendency to run wool up to such a high price as to make it impossible for the ordinary man to buy a suit of clothes made out of it?

Mr. BONYNGE. Is it not true that at the present time it is out of the reach of the ordinary man to buy a suit made out of virgin wool? And if it did have that effect, would it not have the effect that shoddy would go lower, and that the people would get a benefit through the decreased price of shoddy; and that therefore shoddy would be in demand because of its price, and so economic laws would finally regulate the price at which each would sell?

Mr. COOPER. That there might be a great demand for shoddy does not necessarily mean that there would be a great reduction of price. There is a great demand for gasoline to-day and gasoline is going away up.

Mr. BONYNGE. But ultimately supply and demand will regulate the price; and so with the supply of shoddy and virgin wool.

Mr. COOPER. We have found this out during the war period, that prices have been higher for nearly every commodity because there has been a greater demand for it by reason of the war.

Mr. BONYNGE. Certainly.

Mr. COOPER. And if there was a greater demand for shoddy, I can not see how that would reduce the price.

Mr. BONYNGE. But after you had enacted this law you would allow the general economic law to determine the price, whereas you do not do that now. It is a false condition that regulates the price. The shoddy manufacturer is able, by reason of the fact that the people can not determine whether or not they are getting what they purchase, to demand and receive the price of the virgin all-wool garment for its substitutes.

Mr. COOPER. I am inclined to believe that virgin wool garments are the best and that they wear the longest, and I wish that I could buy garments of that character. I was told by one Congressman who visited one of those shoddy mills in Pennsylvania somewhere—

I do not know where it was—and saw that mill in operation, that they were tearing old woolen goods apart there, that were so worn out and in such a decayed condition that they had to take a thread of cotton or something and wrap it around the fiber in order to hold it together. No one can make me believe that fibers of that kind are really better than a virgin wool garment; but I am wondering where it will send the price of wool to, under this bill.

Mr. BONYNGE. Why should not wool be entitled to receive its real value? Why should not the wool grower get what it is actually worth, and not have the price of wool brought down by its being brought into unfair competition with this substitute? Why not permit both of these materials to stand absolutely on their own feet and on their relative merits, instead of creating by a condition which is permitted at the present time, a false standard which is to determine the prices of these materials?

Mr. COOPER. Of course, we all know that when there is a great demand for an article, the man that produces that article is inclined to shoot the price up.

The CHAIRMAN. I assume you want to conclude this morning, Mr. Bonyng.

Mr. BONYNGE. Yes, sir; if I can.

The CHAIRMAN. We have 25 minutes now remaining. We will run a little after twelve. Can you conclude in that time?

Mr. BONYNGE. Yes, I can easily conclude in that time.

I think I have covered very largely the points I desired to mention, except one point, and that is the encouragement of the wool industry. The wool industry is certainly a most essential industry to the peace and the welfare and prosperity and even the security of the people of the country. No country can be self-sustaining, and can defend itself in time of war, unless it is able to clothe its people and its soldiers. The last great war demonstrated that fact as well as any experience that the world has had. Unless Great Britain had had control of the Australian clip it would have been unable to clothe its soldiers.

I remember, when I had the honor to serve in the House, Mr. Dalzell, of Pennsylvania, made a very elaborate speech on the wool schedule in the tariff law, defending it not upon economic grounds, but upon the theory that it was essential to the security of the people of the country; that the wool industry should be promoted and encouraged in order that the United States might be prepared, depending upon itself and not upon other countries for the clothing with which to provide its soldiers in case of war. That was many years before the Great War, or before we expected we would be engaged in any such war.

Now, I do not desire to enter into discussion of the tariff or operation or of the dog laws that are in existence in many of the States, all of which may have some effect on the development of the wool industry. I do wish, however, to call the attention of the committee to the fact that if the passage of this bill should increase the demand for wool, you would thereby encourage the growth and development of a most essential industry in this country, and one upon which the safety and happiness of the people largely depend. For this reason, as well as for the other reasons advanced, I believe this legislation should be enacted.

I have sought, gentlemen of the committee, in what I have said to-day, to show that a general misbranding law will not meet the situation as it exists in the manufacture of woven fabrics and of garments made therefrom; that the conditions in that trade and in that industry demand special treatment at the hands of Congress; that that special treatment and the only special treatment that industry requires is simply the compulsory branding of the material, so that the public may have the knowledge that they obtain what they purchase; and that the people given that information, the general economic laws will then go into full force and sway and determine the price at which those garments and those fabrics shall be sold.

In the final analysis, you will find, as I have stated before, that all the arguments that may be advanced as against the passage of this bill will resolve themselves into the claim that it is to the interest of the people that they shall be kept in ignorance of what they purchase, for fear that if they got the truth they might be injured. Now, I submit that it is not within the province of Congress to say to the people that it is to their best interest that they should be kept in ignorance of the truth.

All that is sought to be accomplished by this legislation is simply the giving of the truth to the people. Brand goods for what they are, that the people may know that they get what they purchase. There is an insistent demand for legislation of this character. It is in the interest of the people not only because it will curb profiteering, but it will prevent deception and encourage the development of an industry very beneficial to the American people. If a general misbranding bill is enacted into law it should be accompanied by another bill along the general lines proposed by the French bill. Gentlemen of the committee, I thank you very much for your courtesy.

Mr. BARKLEY. Are you familiar with the bill No. 2855, the misbranding bill?

Mr. BONYNGE. Your bill, Mr. Barkley?

Mr. BARKLEY. Yes.

Mr. BONYNGE. Yes; I have looked over that bill.

Mr. BARKLEY. Are you able to express very briefly your opinion as to its merits; the general proposition aside from that?

Mr. BONYNGE. Of course I have not considered it as a general proposition. I have considered it as it relates to the subject that I am interested in at the present time. I can see no objection to a bill such as you have introduced, a general misbranding bill applying to all commodities. But your bill does not require any branding. It leaves it optional with the producer. It is in line with the general thought of the bill Mr. French has introduced, so far as it goes, namely that if they do brand they must brand correctly. It will not, however, meet the conditions as they exist in the manufacture of woven fabrics, because there the branding of a garment or a fabric as all wool would not be misbranding, within the terms of your definition of misbranding—

Mr. SIMS. Even though it is shoddy?

Mr. BONYNGE (continuing). Even if it were shoddy, yes.

Mr. BARKLEY. That reminds me of the man who said that he never ate hash away from home because he did not know what was in it,

and he never ate it at home because he did know what was in it. (Laughter).

Mr. BONYNGE. You mean that the purchaser would not buy shoddy at all?

Mr. BARKLEY. Yes.

Mr. BONYNGE. Yes; I think he would, but he would buy it as shoddy.

Mr. BARKLEY. I think that is possible.

Mr. BONYNGE. I thank you very cordially for your very courteous consideration.

The CHAIRMAN. Are there any other witnesses who desire to be heard this morning? We have a few minutes left. Mr. French, have you anyone you desire to call?

Mr. FRENCH. No, sir; no one that I would desire to be heard this morning.

The CHAIRMAN. Mr. Barkley, is there anyone else you want heard?

Mr. BARKLEY. Not this morning. I advised certain people who are interested in the bill that these hearings would begin yesterday, but that they probably would not need to come until next week, because I supposed Mr. French would have witnesses to take up these two days. I do not know that there is anyone here now, especially interested in testifying this morning.

The CHAIRMAN. Is there anyone else who desires to be heard this morning?

Mr. DEWALT. I would like to inquire whether there is anybody here now, of these manufacturers, who could inform us as to this question of the time of the bill going into effect, which I suggested to the witness.

STATEMENT OF MR. FREDERIC S. CLARK, PRESIDENT NATIONAL ASSOCIATION OF WOOL MANUFACTURERS, BIL- LERICA, MASS.

Mr. CLARK. Mr. Chairman, I am president of the National Association of Wool Manufacturers and also president of the Talbot Mills, a woolen manufacturing concern.

The question which a member of the committee has asked is taken up in the statement which we propose to make when we are called upon. I will inform him very briefly, without going into the details of it, that there is no method of properly stamping these goods, in our opinion, that could be put into force in all the woolen mills of the country inside of several years' time.

We would like very much, Mr. Chairman, to have been heard this morning, but the statement which I and the secretary of our association have to make on behalf of our association—that is, our full statement—will take in the vicinity of perhaps three-quarters of an hour or an hour. Judging from the questions which the committee has asked the previous witnesses, I have no doubt you will prolong that time considerably by the queries which you will want to put to us. A great many of the questions which the members of the committee have asked this morning are answered in the statement that we propose to make, this statement giving information from the technical side of the subject and from the merchandising side of it.

Mr. DEWALT. This point is covered in your statement?

Mr. CLARK. Yes, sir; it is covered in our statement. I beg your pardon. Perhaps you refer to the question as to when the season's goods were sold?

Mr. DEWALT. Yes; and the application of this time, either the 1st of July or the 1st of December, in regard to present contracts or the execution of contracts for future delivery.

Mr. CLARK. The mills are now making up fall goods, contracts for which were taken from the 1st of January on. Some of them are even being taken now, but the bulk of them were taken probably in the month of February. The deliveries of those fall goods run up to the 1st of October, and sometimes a little beyond that. The great bulk of the deliveries would be not later than sometime in July or the 1st of August. But they do run as late as the 1st of October.

Mr. DEWALT. When do they make their contracts for the spring deliveries?

Mr. CLARK. The spring contracts are made beginning in the month of August, and those goods are delivered up to the 1st of March of each year, although the deliveries do run somewhat later than that time.

Mr. MONTAGUE. Mr. Clark made a statement a moment ago which, unless he is going to cover the question in his subsequent statement to the committee, I would like to ask him about. I do not want to go into the examination if he is going to cover it later. I understood you to say that the stamping of these fabrics could not be done within three years.

Mr. CLARK. Several years, I stated previously.

Mr. MONTAGUE. Will you deal with that in your subsequent statement?

Mr. CLARK. That will be taken up in the statement which we desire to make to the committee.

Mr. MONTAGUE. I wanted to know about that.

Mr. CLARK. We take up the methods by which that can be done and the reason why it would take that very long period to do it.

Mr. FRENCH. Mr. Chairman, may I at this point, in connection with one correction I made yesterday in my bill, refer to it again? Some of the members of the committee were not here yesterday at the time I referred to it. At the top of page 2 of H. R. 11641, the words "state or" should be stricken out. That same notation should be made in the title on page 1, about the middle of the title, where the words "state or" should be stricken out also.

The CHAIRMAN. I have just received a telegram from the Merchants' Association of New York, stating that they desire to be heard, through a committee, next Wednesday. The hearings on these bills will not be taken again until next Wednesday. On Monday we will have a hearing on a bill introduced by Mr. Anderson relating to the establishment of warehouse terminal facilities at the ports. Tuesday has been set aside for hearings on a bill introduced by Mr. Winslow, so that the hearings on the pending bills will be resumed on Wednesday morning at 10:30 o'clock.

(Thereupon the committee adjourned to meet Wednesday, March 24, 1920, at 10:30 o'clock a. m.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Wednesday, March 24, 1920.

The committee met at 10.30 o'clock a. m., Hon. John J. Esch (chairman), presiding.

The CHAIRMAN. Mr. Clark, are you ready to proceed?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Give your name and address and whom you represent.

**STATEMENT OF MR. FREDERICK S. CLARK, PRESIDENT OF
THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS—Continued.**

Mr. CLARK. Frederick S. Clark, president of the National Association of Wool Manufacturers. Mr. Chairman and gentlemen of the committee, I shall have to beg the indulgence of the committee for the condition of my voice. Your Washington weather of last week gave me a cold which I have found difficulty in getting rid of. First, I want to allude briefly and in outline to the attitude of our association on the various phases of this French bill; then I should like to show you some types of virgin wool, shoddy, and cotton, in order that you may better understand the points which are made in a brief which a committee of our association has prepared and which I will then ask the secretary of our association, Mr. Cherington, to read to you. After the reading of that brief I would like to have the opportunity to show you samples of fabrics which will illustrate the points which we have made in the brief.

I noticed on Friday and Saturday that a great many questions were asked by the committee which are answered in our brief, and for that reason I want to suggest, if it is agreeable, that questions be deferred until I am showing you the samples of fabrics. On the other hand, if questions occur to you while I am showing you the samples of fibers it may be well to ask them in regard to fibers at that time.

Now, gentlemen, beginning with the Grosvenor bill of 1902, there have been a dozen or more of textile fabric labeling bills similar in character to the French bill which have been presented to Congress and they have all failed of enactment because it has not been difficult to show that they were impracticable of execution and that they would not accomplish the purpose which their framers had in mind, and I think this French bill will prove no exception to the others in these respects.

I want to say that after attending the hearing on Friday and Saturday I was impressed with the sincerity of all of those who talked in favor of the French bill. I am sure that Mr. French himself was very earnest and sincere in his belief that there was a bad condition of things in the woolen industry which ought to be remedied and for which he earnestly believed that his bill was the remedy, but I think the trouble with him and with the others is that they are not familiar with the technical side of the question, not familiar either with the merchandizing features of the proposition.

Now, the National Association of Wool Manufacturers has always been, and is now, in sympathy with any practical bill which will prevent misbranding of woolen textile fabrics, or their misrepresentation by advertising or otherwise to the public, and for that reason we are in favor of a bill similar to the Rogers bill. We are also in favor of that bill, or one of similar character, because it applies to all commodities and does not single out the woolen industry alone. There is only one woolen manufacturing concern that I know of that is advertising its fabrics as made with 100 per cent virgin wool. They have been carrying on quite an extensive advertising campaign on that side of the question for a long time. There are a great many other woolen manufacturing concerns in the country that make 100 per cent virgin-wool fabrics, but they have not thought it desirable or necessary to proclaim that fact. It is perhaps rather a singular circumstance that one of the officers of this woolen manufacturing concern is also the president of the National Wool and Sheep Bureau of Chicago, the organization which originated the French bill and has been carrying on quite an agitation in its favor for a long time. Now, judging by the public statements of this gentleman, the printed publications of the wool bureau, by resolutions which at their suggestion have been adopted by various wool-growers associations, and also by the testimony which was given here on Friday and Saturday by those in favor of the bill, the prime objects which they expect to accomplish by the passage of this bill are five in number:

1. That it will increase the production of wool in this country, which they claim has been retarded by the use of shoddy without making its presence known in the goods.

- Two. That it will increase the price of wool to the woolgrower.

- Three. That it will give the public better fabrics and at materially reduced prices.

- Four. That it will give information to the buyer of goods that will enable him to know what the goods are made of and thereby judge of its quality and value.

- Five. To curb profiteering on the part of woolen manufacturers.

In regard to the first proposition, gentlemen, woolen manufacturers would very gladly welcome such an increase in the wool production of this country as to render them independent of foreign supply. They have contributed money to organizations which have been operating to that end for some time past. But it is a fact that in a period of 50 years, during the most of which time there has been a high duty on imported wool, we have been obliged to look for quite a large percentage of our supply to the foreign markets, showing that the domestic product is very short of the requirements, and also showing that there was an ample opportunity for increasing the product of wool in this country, regardless of the use of shoddy fabrics. To my mind, that fact disposes of the argument that the production of wool in the country has been retarded by the use of shoddy in woolen fabrics.

In regard to an increase in the price of wool, we thoroughly agree with these gentlemen that it would increase the price of virgin wool because there would be a greater demand for it, but it is quite a question, I think, whether that additional demand would not be

met by a much larger importation from abroad and not by a material increase in the domestic production.

Mr. French was very frank in stating that he believed that it would increase the cost of woolen garments, but on the other hand, in the agitation which has been carried on by these gentlemen to whom I have referred, they have given the sop to the woolgrower that he was to get a higher price for his wool, and the sop to the consumer that he was going to get better fabrics in his garments and at a materially lower price, an attitude which certainly seems hardly consistent.

Now, we take most decided issue with these gentlemen on the proposition that the stamping of fabrics in this way will give any information to the consumer that will enable him to judge of the quality and value of fabrics. We believe that the contrary would be the case; that is, that he would be misled and confused by this stamping and that he would receive no valuable information from it at all.

In regard to curbing of profiteering on the part of woolen manufacturers, again we claim that it would give woolen manufacturers a better opportunity for higher profits than exist at the present time. That is taken up in our brief, and I will simply say now that it would ~~make~~ a greater demand, we think, for virgin wool fabrics and very poor virgin wool would be used to a much larger extent, and the fact that the fabric with that kind of wool in it could be stamped 100 per cent virgin wool would enable the manufacturer to get a higher price for it than he would otherwise be able to get, through the idea on the part of the public that virgin wool was so much better than anything else.

Mr. COOPER. Mr. Clark, a few moments ago you stated that you fully agreed with the woolgrowers that this measure would increase the price of wool.

Mr. CLARK. Yes, sir.

Mr. COOPER. What effect would that have upon the price of shoddy, if the price of wool went up?

Mr. CLARK. I think it would depress the price of shoddy.

Mr. COOPER. It was stated here before the committee that under the present production of wool there was not more than enough wool to make every person in the world one suit of clothes of about 4 pounds. What do you think would be the effect?

Mr. CLARK. Mr. Cooper, we discuss that very thoroughly in the brief that is going to be read a little later. Of course, I can answer it now, but it is discussed pretty thoroughly.

Mr. COOPER. It is merely information I am seeking.

Mr. CLARK. Very well, sir; you will get it in the brief. I think it was Mr. French who said on Friday that the Government insisted on knowing when there was any shoddy in the Army goods, so why should not the public know whether there is any shoddy in the fabrics they are buying? The two cases, I think I can show you, are not parallel. During the war I was chairman of the committee which was appointed by Gen. Goethals, then Acting Quartermaster General, to consider and revise, if necessary, the specifications for the Army uniforms, the shirtings, and overcoatings, and blankets. We performed that duty and our specifications were adopted, so that I have some knowledge of them. Now, the Government did not allow a manufacturer to

make these fabrics of whatever material he chose and then tell the Government what the materials were, but the contracts had to be accepted by the various mills in exact accordance with the specifications. These were very elaborate, and they provided for such items as these: The wool that was used in the construction of the fabric must be of a stated grade, and that is a very important point when you institute a comparison. They specified the grade of the wool which was to go into these fabrics; they specified the number of threads to the inch of the warp and the filling, the weight per yard, the width of the goods, the tensile strength, the various chemical tests, and a great many other things. Now, you will see that that is a very different proposition from simply stamping on the back of the goods that are going to the public the percentage of this, that, or the other material that is in them without designating the first word in regard to the quality of those materials, or anything else in regard to the construction of the fabric. By the Government method the Government secured just what it contracted for, but the buyer would get no information of any value whatever by this stamping which is required on the back of the goods by the French bill.

I might say here in regard to the Government fabrics, simply as a matter of possible interest to you, that in the Government Army uniform cloths there was no shoddy; they were made of 100 per cent virgin wool. The shirtings were made with a cotton warp and 100 per cent virgin wool filling. Both the overcoatings and the blankets had certain percentages of shoddy in them, and shoddy was used in those two fabrics because, first, there was not a sufficient supply of the grade of wool which was specified; second, for the sake of economy; and third, because the grade of shoddy that was used with the grade of wool required, absolutely made a better fabric, a more compact, firm, warm fabric than would have been the case if those two fabrics had been made entirely of 100 per cent virgin wool of the grade specified.

Now, Mr. Chairman and gentlemen, we expect to show you that the general prejudice in favor of virgin wool and against shoddy has no adequate sanction in fact. There is a general prejudice in favor of virgin wool, no matter how poor it may be, and a general prejudice against shoddy, no matter how good it may be. These prejudices would not persist in this indiscriminating form if the public really knew how bad virgin wool can be and how good shoddy can be. These prejudices are the bases of the feeling on the part of a great many people that if the percentages of the fibers were stamped on the back of the fabric that they would be able to judge of the quality, but that is a false idea. I had an interesting conversation here last Friday noon, after the hearing, with a very charming young lady who announced that she was very strongly in favor of the French bill because she wanted to know what was in the cloth that she bought and she did not want to have any shoddy in it. I asked her if she had ever been shown any types of virgin wool or of shoddy, and she said no. I said, "Well, do you not think your attitude is the result of prejudice?" She strenuously objected to my use of that term, because she had always been told that shoddy was an objectionable thing and that it had become really a part of her education, and that she should not change her mind about it until she had been educated the other way. Well, two of my friends and myself undertook to

play the rôle of educators, but the time was not sufficient to change the mind of the young lady on a matter which she had so firmly instilled in her.

So, I think my use of the term prejudice was correct, because the Century Dictionary defines prejudice as "an opinion or decision formed without due examination of the facts or arguments which are necessary to a just and impartial determination."

Now, gentlemen, I want to show you some types of virgin wool and shoddy and cotton. They are piled up before you there and I will tell you just how I would like to have you look at them. It is not the fabrics that I am going to talk to you about now, it is the fibers.

The conception of virgin wool in the public mind is that it is a long, fine, silky fiber, but I think I shall show you that it may be nothing of the kind. These little samples with the red labels on them are all virgin wool under the terms of this bill. If you will look at No. 1-A in the corner, you can pull a little of it out of the hole in the box to see just what it is. Now, that is a very fine specimen of virgin wool. It is very fine, and it is long staple, and it is otherwise first rate in every respect. That is a fine scoured Australian wool and its value on the market to-day is \$2.40 a pound.

Mr. MONTAGUE. Is that imported wool?

Mr. CLARK. Yes, sir. Sample No. 1, red label, is a fine, good staple domestic scoured wool, all ready for the woolen manufacturer. That is not as good as the other, but still a very fine type of virgin wool. The value of that on the market to-day is \$1.95 per pound. Those two samples indicate really what people generally have in mind when you talk about virgin wool. I venture to say that if you gentlemen have thought anything about it, what you have had in your mind when virgin wool was talked about was wool something of that character.

Now, I want to show you a lot of other samples which are very different in character. Sample No. 2 is what we call a shearling. That is taken from the pelts of sheep sheared not a very long time before they were slaughtered. Consequently the wool on the skin had not had an opportunity to grow very long and the staple you will observe of the wool is very, very short. I say that that is really a particularly good sample of shearling wool.

Mr. JONES. What do you mean by the staple?

Mr. CLARK. The staple is the length of the fiber. That is a very important thing in woolen manufacture. The length of the staple is a very important thing in worsted manufacture, but not of so much importance in woolen. This particular sample is a good sample. There is a good deal of shearling wool that is not as good as this sample. The value to-day is 80 cents a pound.

Mr. SIMS. May I ask what is the normal length of the staple?

Mr. CLARK. There is no normal length. You take wool of different character or growth, whether it is a year's growth, the spring growth, or fall growth, they vary because of that fact. A sheep that is sheared once a year gives a year's staple growth, and a sheep that is sheared twice a year gives both a spring staple growth, which is seven or eight months, and a fall staple growth for the balance of the year.

Mr. SIMS. Well, I am used to grading cotton, and an inch and a quarter or an inch and one-eighth is considered long staple. I did

not know whether there was any difference in the classification of wool staple.

Mr. CLARK. There is no classification of that character. The difference in wool staple is from that long [indicating] up to that long [indicating].

Mr. SIMS. There is no average in this country?

Mr. CLARK. No, sir. Of course, there are certain types of wool that have a certain average staple.

Mr. SIMS. There is a greater difference than in cotton?

Mr. CLARK. Yes, sir. It varies more. That is, there is a greater range in the length of staple than in cotton. The value of that sample is 80 cents a pound. Now, the next sample is No. 3, and that is what we call tag locks. That is what is sorted off of the skirt of every fleece. It has dung locks clinging to it and filth of one kind or another, and it has to be treated in order to get the wool. That is done and it gives an inferior wool. In just this condition it is only worth 5 cents a pound. But the next sample, No. 4, shows tag locks that have been treated and scoured, so that they can be used, and you will observe there that while it is not at all attractive and it is of inferior quality and grade, yet it is put into much better condition than the first, and in that condition the value of this particular sample is 70 cents a pound. Now, I want you to bear in mind that all these samples that I am showing you are virgin wool under the terms of this bill. The next sample is No. 5.

Mr. JONES. I think you said we could interrupt you to ask questions in regard to these fibers?

Mr. CLARK. Yes, sir.

Mr. JONES. Do I understand that the difference between the cost of these two samples, No. 3 and No. 4—5 cents a pound and 70 cents a pound—is the difference in the cost of manufacture, or does the manufacturer take this No. 3 and work it up to produce the other kind?

Mr. CLARK. That is the point. He takes the No. 3 and eliminates the refuse and gets the fiber and scours it and produces this No. 4.

Mr. JONES. Does it cost 65 cents to make the change?

Mr. CLARK. Practically.

Mr. BARKLEY. How much would it cost to produce No. 4?

Mr. CLARK. It would take a good many pounds. The shrinkage would be very material. We would not get a great many pounds out of 100 pounds of the original stuff. No. 5 is what we call kempy South African wool, which, nevertheless, is a virgin wool. You will see that it has a very coarse fiber and that rather white hairy-looking fiber in it is the kemp. Kemp is a dead wool fiber. That sample is worth 20 cents a pound, and it is virgin wool all the same. No. 6 is card waste. That is material that gathers around the cards in a wool factory and is preserved and utilized in manufacturing. That is virgin wool under the terms of this bill. Of course, it is a very inferior quality, and in that condition it is worth 15 cents a pound.

Mr. BARKLEY. It is really a waste?

Mr. CLARK. Yes; it is a waste, but that is virgin wool under this bill.

Mr. BARKLEY. Yes; there is no shoddy in it?

Mr. CLARK. No, sir. No. 7 is a noil, and noils come from the combing of the long-staple wool. The long-staple part is the top and goes into the manufacture of worsted yarn. The short fiber is called noils, of which this is a sample, and those are used by woolen manufacturers and can be very well used for carded wool purposes. It is rather a coarse fiber, but it is virgin wool, and it is worth 35 cents a pound.

Mr. SIMS. That is also a waste, in the nature of waste?

Mr. CLARK. No, sir; we do not call it a waste. It may be a possible waste of the worsted manufacturer, but it is hardly a waste because it is a valuable material.

Mr. SIMS. How is it obtained?

Mr. CLARK. It is a by-product of the worsted manufacture.

Mr. SIMS. It is like what we call linters in cotton. It is still cotton, but it is a very inferior product.

Mr. CLARK. Yes, sir. Now, No. 8 is what we call French noils, because the wool has been combed by the French method of combing. They can comb much shorter staples of wool than the English method, and it gives a much shorter staple noil. This noil has an extremely short staple. There is almost no staple to it at all, but still it is virgin wool and it is worth 85 cents a pound. That is quite valuable for certain classes of carded wool manufacture, for producing a certain effect in the goods, but of course it has absolutely no element of strength to it. It is simply used for the effect which can be produced on carded wool fabrics.

Mr. BARKLEY. Is No. 8 used in the manufacture of cloth exclusively without the mixture of anything else?

Mr. CLARK. No, sir. There is a bare possibility that it may be used, but I should say no; it has too short a staple. It would have to be blended with longer staple fiber of some kind or other.

Mr. BARKLEY. I think I bought a suit of clothes not long ago made out of that.

Mr. CLARK. Mr. Barkley, if it were possible to use that by itself, the fabric made out of it would be branded 100 per cent virgin wool under the French bill.

Mr. BARKLEY. That would be all the 100 per cent there would be about it.

Mr. CLARK. Now, in regard to these shoddy samples, I have picked out just a few to show you a rather wide variation in grade.

Mr. JONES. There is not any significance in having these marks in mourning, is there?

Mr. CLARK. No, sir. That is a blue label; it is not a black one, Mr. Jones. These three samples with the blue label are shoddy samples.

The conception of shoddy in the public mind, as I said, is that it is pretty bad stuff; that it is not only filthy, but that it is unsanitary. No less a man than Henry George, jr., a Member of the Sixty-second Congress, in the campaign preceding his election, stumped his district, and very frequently referred to shoddy in this way; that it was derived from rags which were picked up out of the gutter, ground up by machinery, and blown into woolen fabrics, and he said that when the first rain came it would wash the shoddy out and leave a coarse, threadbare, worthless sort of fabric. Now, I will give him credit for

not intentionally deceiving his hearers, but he was very grossly misinformed, because nothing could be farther from the truth than that statement.

I want to make a point in this connection, and that is that the very term "shoddy" encourages this misconception. Nowadays it is called "reworked wool," and that is what it ought to be called. Then there is a great deal of very low shoddy, which is not used by the manufacturers of this country at all. Large quantities of rags from which that shoddy comes are exported and are used by the manufacturers of Great Britain principally in the manufacture of woollen fabrics.

I was very glad to see that Mr. French in his testimony admitted that shoddy, when it was ready for manufacture in the woollen mill, was just as clean and just as sanitary as virgin wool. Now, these samples, as I said, with the blue label are shoddy samples. No. 20 is a very fine grade of shoddy. You will see that it is not only fine in fiber, but it is quite long and the staple is of good character generally. That shoddy comes from new cloth clips and not from clothing which has been worn before, but from the clips that the tailors and manufacturers of garments make in cutting up their suits. There is a vast quantity of that material which comes onto the market, and is transformed into shoddy, and is used by woollen manufacturers. That sample is worth 68 cents a pound.

Mr. JONES. Right there: Would a suit of clothes with a larger percentage of that shoddy in be a more durable and serviceable suit than some of these suits made of virgin wool?

Mr. CLARK. Yes, it would make a very good suit indeed. Now, No. 22 is another sample of shoddy, not so fine in fiber, but quite long in staple, that is derived from loosely twisted woollen yarn that was made for sweater purposes and reworked into the original fiber. That is very long staple and a good character of shoddy, just as fine as many grades of virgin wool. It is actually worth 2 cents a pound more than the other, or 70 cents a pound. No. 23 shows a good character of shoddy. It is fairly fine, but you will see that it is extremely short in staple. That is valuable material to use in certain classes of fabric, principally heavy fabrics. It helps the appearance of the fabric. It makes a firmer and closer fabric than might be made if it was not used. Altogether, although it is much less valuable than the others I have shown you, it is still a valuable material. The cost of it on the market to-day is 32½ cents.

Now, I think you will observe, gentlemen, that these two samples, No. 20 and No. 22, of themselves alone would make a very good fabric. They are vastly better than any of these virgin wool samples that I have shown you, except the first two samples, Australian fine wool and domestic fine wool. They are vastly better than any one of the other virgin wool samples, and yet with any such method of stamping as this bill provides the fabrics made from them or containing a percentage of them would get a black eye, and the prejudice of the public against shoddy would be appealed to, and it would not only prevent the sale of the goods, but it would prevent the public from buying a good fabric at a reasonable price, simply because they would think they ought to get something with a greater percentage of virgin wool.

There are three cotton fabric samples with gold labels. The same thing prevails here. No. 30 is a very long staple Sea Island cotton,

very fine, very long staple, and very valuable fiber, which is worth in the vicinity of \$1.50 a pound on to-day's market. No. 31 is a cotton of very much lower quality and very much shorter staple. It is what they call full quarter cotton. It is worth 95 cents a pound or thereabouts. Cotton varies so much from day to day that it is hard to give an exact figure.

Mr. JONES. Are these all domestic cotton?

Mr. CLARK. Yes, sir. No. 32 is a very low grade cotton. You can see it is coarse and not clean and short staple and all that. It is only worth 25 cents a pound. Now, the point I want to make, gentlemen, showing all these fibers, is this, that if the terms "virgin wool" and "shoddy" and "cotton" each indicated one character and quality of fiber, then to put the percentages of each of these fibers on the back of a piece of goods would tell the buyer something about it; but you have seen from what I have shown you that each one of these fibers by itself shows a tremendous variation in fineness, in length of staple, in strength, in qualities of various kinds and in cost, and under these conditions I think you will see that the consumer would be told absolutely nothing by having it stamped on the back of a piece of goods what percentage of this, that, or the other fiber was in the goods. It would simply mislead and confuse him.

Now, gentlemen, I would like to ask Mr. Cherington, the secretary of our association, to read the argument which a committee of our association has prepared, and after that I would like to show you these samples of fabrics and enlarge upon them somewhat.

STATEMENT OF MR. PAUL T. CHERINGTON, SECRETARY OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS, BOSTON, MASS.

Mr. CHERINGTON (reading):

ARGUMENTS AGAINST THE "TRUTH IN FABRIC," BILLS, PREPARED BY A COMMITTEE OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

The so-called "Truth in Fabric" legislation.—Is wrong in principle, would be difficult and costly to execute, would mislead the public.

OUTLINE OF STATEMENT.

- I. The proposed bill sets up false standards for judging qualities of fabrics.
1. Much reworked wool is a better textile material than are many types of virgin wool.
2. Any standard for judging quality by consumer must have direct relation to properties sought by him.
3. Proposed bill would not "let wool and shoddy each stand on its own merits." It would put a premium on virgin wool fabrics and a stigma on mixed fabrics.
4. There are essential differences between pure fabric and pure food laws.
- II. Some technical facts which the proposed marking system ignores.
 1. Use of substitute in connection with virgin wool necessary.
 2. Reworked wool employed chiefly in the manufacture of carded woolsens.
 3. Effect of proposed bill on prices of virgin wool and reworked wool fabrics, respectively.
 4. Reworked wool not a dishonest adulterant.
 5. Reworked fiber now available in great variety at prices closely following the value of various grades as clothing material.
 6. Use of reworked wool has not been the cause of retarded American wool growing.
 7. Use of cotton.

III. Proposed bill will add to difficulties and cost of manufacturing and distributing wool fabrics.

1. Reworked wool fabrics are now sold on their merits and at a fair valuation.
2. Imitative competition by disreputable concerns would be likely.
3. Difficulties of branding.
4. Branding imported fabrics.
5. Cost of marking.
6. Cost of registration and inspection.
7. Indirect costs.

IV. The proposed bill can not give to the public any protection against fraud not normally afforded by the operation of competition.

1. Large percentage of honest and small percentage of dishonest trade.
2. Marking on a misleading basis would not check fraud.
3. Law to prevent misbranding more effective than a law to compel branding which is sure to be misleading.

This statement prepared by a committee of the National Association of Wool Manufacturers is made for the purpose of explaining some of the technical consequences which would follow from such legislation as is proposed. These difficulties are of such a nature that they would not be apparent to the general public or to anyone outside of the fabric manufacturing industries. These industries, no doubt (if given the requisite time for getting equipment, which would be perhaps five years), would adjust themselves to the annoyance and added costs involved in the enforcement of a law making it obligatory to brand all fabrics in the manner proposed; but the consuming public would bear the heavy burden of consequences without securing any compensating gain.

Such dishonesty as exists in the sale of fabrics may be stopped more effectively by the use of methods which have stood the test of trial. The statement makes clear what these methods are. It is therefore not merely a criticism of a bad bill. It contains a suggestion for securing in a practical way the purposes announced in the title of the bill—"to prevent deceit and profiteering."

The four objections to this truth in fabric bill which are discussed in detail in the following statement are:

1. It sets up false and misleading standards for judging qualities of fabrics.
2. The proponents of this marking system ignore certain facts of great importance.
3. The plan proposed will add to the producing and distributing costs of wool fabrics.
4. Protection of the public against misleading statements about fabrics can not be secured by this law, but can be secured by the passage of another bill now pending in Congress.

1. The proposed bill sets up false standards for judging qualities of fabrics.

1. This plan for protecting the public might be of value if it were true that even the poorest of new or virgin wool is a better material for making wearing apparel than any reworked wool, or "shoddy," even the best of it. This obviously is not true. Much reworked wool is a better textile material than are many types of virgin wool. Any system of branding which is based on a classification of fabrics taking nothing into consideration except their fiber content is certain to be misleading since the presence, absence, or proportion of new wool or any other fiber is no fair measure of the value of the fabric. Such a system of branding, if adopted voluntarily or in individual cases, would be open to suspicion as misleading. To force it on all-wool goods would be a matter of grave public danger. It would fix a stigma on all reworked wool and put a premium on all virgin wool, regardless of the qualities of either. Instead of protecting the consumer, it would add to his difficulties in selecting fabrics. With apparent plausibility it is argued that the consumer has a right to know what the fiber material in any fabric is. This right might be defended, and so also could the right to know the number of threads to the inch, the yarn specifications, and the nature of the weave or finish, any one of which items of knowledge would be quite as good a measure of the quality of the fabric as the nature of the fiber it contains. The truth is that all these items, besides the intrinsic properties of the cloth, are taken into consideration by those skilled buyers who serve between the manufacturer and the consuming public. But knowledge on any one or all these points together would constitute, in the hands of the public, a hindrance to honest business, no safeguard against fraud, and a rich opportunity for deception. The standard for judging fabrics which it sets up is a misleading one.

NOTE.—See exhibits of virgin wool Nos. 1 to 7 and of reworked wool Nos. 20 to 23. Note that by this proposed law the best of reworked wool like 20 and 22 is stigmatized as much as poorer qualities like 23, no distinction being made between them. On the other hand, a premium is put on the use of the most inferior of virgin wools. Observe also that reworked fibers 20 and 22 are from every point of view superior as material for making clothing to such fibers as 3, 4, or 7.

2. To be of value to purchasers, any standard for judging quality in accordance with which it is obligatory to mark goods must have a direct relation to the properties sought by the buyer. Fabrics (and the clothing made from them) are bought on the basis of their appearance, warmth, and wearing qualities with a definite relation to the price charged. No reasonable person expects to get for \$17.50 a suit of clothes with all of the same properties he would expect in a suit for which he paid \$75. It is not his desire that he should. His concern is that the suit he buys at \$17.50 shall be of as pleasing an appearance, as great warmth, and as great durability as can be obtained for that price. A knowledge of the percentage of the component materials could have no value to him unless this knowledge enabled him better to know what to expect in the way of desired qualities. This the proposed marking of fabrics would not do, for these qualities depend far more on the way the materials are handled in manufacture than they do on the precise nature of the materials themselves.

NOTE.—In the case of fabrics 130 and 130a there is no attempt at deception. One is a fine wool fabric worth what it costs, \$6.60 per yard. The other sells on its merits at a price which is \$3.95 less. Each is a good purchase at the price. Any law which would drive the mixed fabric 130a from the market as this would be sure to deprive many people of a good low price fabric.

3. Such a bill as is proposed could not have the effect claimed for it of "letting wool and shoddy each stand on its own merits." The enforced indication of the percentages of new as against reworked wool and other material in the fabric would be quite as misleading in many cases as the expressed or implied misrepresentations which this marking is designed to prevent. Poor fabrics of virgin wool would be so branded as to augment their real value. Good mixed fabrics would be at a discount. The consumer would lose in the first case by a less return for his money; in the second, by the withdrawal from the market of many cheap fabrics of good quality.

NOTE.—Observe the two fabrics 105 and 105a. The proposed branding plan would force down the price of 105 below its normal level and put a premium on the fabric 105a.

4. Attention should be called to one essential difference between legislation covering fabrics and that which has been passed concerning foods and drugs so greatly to the advantage of the consumer. The distinction referred to has to do with the availability for human use of qualities below a good grade. Inferior foods and drugs are harmful and are not suitable for sale at any price. This is increasingly true as one descends in the scale of quality. In the case of fabrics, however, below the finest qualities there is a continuous gradation down to the most inferior, each one of which, in case of fair competition and honest dealing, is sold at some price and will render to the consumer satisfactory service in return for the price paid. This distinction should be clearly kept in mind. To require the branding of all fabrics to show their proportion of fiber content would give the consumer no more accurate idea of what he is buying than it would to brand all beef with the breed of the animals from which it came.

NOTE.—A good illustration of this is found in the case of fabric 130a in comparison with 130. Fabrics 121, 126, and 127 furnish additional examples.

In summary the first point established is that the bill sets up false standards for judging quality. It follows inevitably that the establishment of such standards would tend to put a premium on fabrics of virgin wool no matter how inferior they might be, and to put an unfair stigma on fabrics containing any appreciable quantity of other materials no matter how desirable those fabrics might be. The branding of the merchandise on the basis of a false standard of quality gives to the public no guaranty that the fabrics, whether of new wool or of mixed materials, possess the properties desired and paid for. On the contrary, it would facilitate and promote deception.

II. Some technical facts which the proposed marking system ignores.

1. The total world's production of 2,800,000,000 pounds of new wool each year, if all made into clothing, would fall far short of providing for the normal requirements of wool fabrics for clothing the 800,000,000 inhabitants of the temperate zone. At this rate of $3\frac{1}{2}$ pounds of grease wool per capita the amount of new wool fabric made each year would scarcely supply a pair of knee breeches to those desiring wool clothing, blankets, and other wool manufactures. The use of other fibers in connection with wool is necessary and has a legitimate place in the wool manufacture. This point manifestly is not open for discussion. The point raised by this bill is whether the use of material other than new wool should be indicated. This clearly depends on whether the chance of the public's being deceived or cheated is greater with or without such indication. This can only be determined as a result of weighing the facts of the case. Unlike food, a fabric of any quality may be worth what is charged for it. An egg, for example, as a food is either wholesome or it is injurious. A fiber on the contrary may still be worth a price even if it is inferior in quality. The selection of a substitute to be used for new wool is the result of two factors—the intrinsic properties

of the substitute and its price as compared with wool. Of all substitutes for new or virgin wool, that having the closest resemblance in all essential properties is high grade reworked wool. This, of course, is wool, and the only mark of inferiority is the fact that it has been used before. The extent to which reworked wool is used in the wool manufacture of England and the United States is shown by figures attached. (See Appendix 1 and Appendix 4.) In brief, the facts are that in England, in normal times, about a quarter of the fiber used in producing all wool fabrics is reworked wool, and in this country the percentage is less. By the census of 1914 the total of reworked wool used in the American woolen and worsted industries was 85,000,000 pounds as compared with 434,000,000 pounds of new wool. It is clear that a material used on such a scale must have a legitimate place in the industry, and that instead of being an adulterant in the ordinary sense reworked wool is a supplement to the new wool stock. It would tell the consumer nothing of value to indicate to him regardless of quality the percentages of various kinds of stock. On the contrary, his judgment would be distorted, and the manufacturer would be discouraged from using many excellent materials of low price.

2. Reworked wool is chiefly employed in the manufacture of carded woollens. Of all-wool woolen woven goods 85,500,000 square yards were produced in 1914. In the same census year, there were produced 337,000,000 square yards of all-wool worsted woven goods, in the making of which the use of reworked wool is negligible. In addition to these all-wool woven goods there were produced 196 million square yards of cotton warp woven goods and 46,000,000 yards of "unions," or fabrics blended cotton and wool fiber. Obviously it would be unfair to put all carded woollens, including fine broadcloths, meltons, and other high grade fabrics, at a discount by requiring that they alone be marked, and it would be a serious burden on the public to impose a marking system on every yard of 565,000,000 yards of woven fabrics in order to give the public a wholly meaningless knowledge of the percentage of materials in that indefinite portion (certainly less than one-half) in which reworked wool could be used at all, to say nothing of the danger of its being used fraudulently. As will be pointed out subsequently, this would add millions of dollars a year to the cost of producing clothing fabrics in this country.

3. The quality of the fabric is not determined by the material content alone. Because of the easy acceptance by the public of the implied claim that the quality of fabrics has a difficult relation to the percentage of new wool in them, fabrics made of all virgin wool and so branded under this bill must be expected to sell at a premium. The statement that a fabric is made of "100 per cent virgin wool" will serve as a claim of high quality. Any fabrics bearing it will find more ready sale than others, regardless of merit. The use of substitute material makes it possible to produce fabrics to sell at medium and low prices which have many of the desirable qualities of high-priced fabrics. As will be brought out later, the methods by which modern business is conducted make it very rare for these mixed fabrics to be sold except for what they are. By this law undue suspicions would be thrown about all fabrics, whether woollens or worsteds, bearing any mark except one claiming 100 per cent new wool. Many fabrics now sold on their merits as mixed fabrics and without deception of the public would be obliged to overcome a public branding which puts an undeserved stigma on them.

NOTE.—This has already been illustrated by samples 105, 105a, 130, 130a, and the various mixed fabrics and fabrics made entirely of reworked wool.

4. Reworked wool is not, as sometimes popularly believed, a foreign or necessarily inferior material, fraudulently smuggled into fabrics to the detriment of the purchaser. It is wool which has been used previously in manufacture and instead of being thrown away is reworked into new fabric. Wool, intended by nature to protect the animal for its lifetime, is practically indestructible except by fire and moth. To scrap all the wool which has once been made up into cloth because it is in the form of clippings too small for garments, or because it forms part of a garment which is worn out in places or is out of style, obviously would entail a tremendous waste and greatly increase the cost of clothing and other woolen goods. To avoid this waste inventors and manufacturers for many years have striven to design machines and originate processes by which this woolen material may be effectively saved and woven into new fabrics which can be sold at a much lower price than similar fabrics of new wool. The author of a special report on the shoddy industry of France and England, published by the Department of Commerce a few years ago, has the following to say about the use of reworked wool fiber:

"A hundred years ago wool waste and old rags were disposed of by burning or by being used as fertilizers, but they now enter largely into the clothing requirements of the world, and by their cheapening effect have done much to popularize woolen

clothing for the masses. The increasing use of waste materials and of by-products of manufacture is a sign of the increasing economic efficiency of mankind, and as the world is rapidly becoming more and more crowded the economic use and reuse of all available fibers will become of more and more importance."

The use of reworked wool in textile manufacturing is analogous to the use of scrap iron in steel manufacture. It has a useful place and to put a stigma on it would simply be an economic waste with no compensating public gain.

5. Reworked wool fiber is now available in great variety and at prices closely following the value of the various grades. Millions of pounds of the raw material of the shoddy industry are new clips of fresh cloth cut from the patterns of garments in clothing factories. The disagreeable features of the reworked wool industry are magnified by constant emphasis on the fact that "rags" are used in producing them, and the impression is created that all reworked wool is filthy and unworthy stuff. The processes of reworking wool cleanse the fiber so that reworked wool is in no wise inferior to new wool so far as cleanliness is concerned. The important point is that a buyer of reworked stock can get as good a fiber as he is willing to pay for in the light of the price he is to charge for the fabric to be made from it. By the stamping of fabrics as proposed, the great economy in the fiber supply made possible by use of reworked wool would be lost.

6. The proposed depreciation of the marketability of reworked wools has been defended on the ground of its effect in stimulating the woolgrowing industry in this country. Almost without interruption or the past 50 years this country has imported each year a large percentage of its wool supply notwithstanding heavy tariff duties. This fact makes it clear that wool is bought because of its qualities for certain definite purposes rather than on account of its price per pound regardless of type. It completely refutes, also, the statement that the use of reworked wools has had any serious deterrent effect on woolgrowing in this country. If the use of reworked wools were retarding the use of new wools, importations would have been checked before domestic production could be seriously affected.

7. The use of cotton in connection with wool in fabrics would be discouraged by this law. Next to reworked wool, cotton is the most important supplement to the wool supply. The total amount of cotton and cotton yarn used in 1914 in the production of woollens and worsteds was over 60,000,000 pounds. It is employed both in the manufacture of cotton-warp goods (which give great strength and protection at much less cost than all-wool fabrics), and also in the manufacture of goods with worsted warp and cotton filling. In addition there is extensive use of cotton for purposes of decoration. Never in the course of normal trade are goods containing cotton offered for sale as "all wool." This practice is fraudulent, and it also is unprofitable. The presence of cotton can easily be detected by a variety of tests in common use, and the extensive purchases of goods by skilled buyers, as in the case of clothing manufacturers, would make it impossible to avoid detection if the presence of cotton were misrepresented. All these fabrics would by the bill be put at a disadvantage in competition with all new wool fabrics regardless of their relative merits.

In summary, the second point made is that there are certain important facts about the wool fabric industries which will materially modify the effectiveness of the law which its framers have ignored. The sale of many excellent mixed fabrics would be made difficult by decreasing the demand for them. Good fabrics of reworked wool being stigmatized, their production would be very greatly reduced.

III. The proposed bill will add to the difficulties and the cost of manufacturing and distributing wool fabrics.

1. It has been shown that reworked wool blended with new wool in certain wool fabrics makes possible the production of fabrics at a low price which can be made entirely of new wool only at a much higher price. Fabrics of these substitute materials can not, under normal conditions of competition, be sold in the ordinary course of trade as anything except what they are—good fabrics at a price much below the price of similar fabrics of new wool. To put on these fabrics the stigma of bearing a name which is misleading to the public would compel manufacturers to rearrange many blends of fiber which are the result of years of practice and experiment in cloth construction. Many excellent fabrics now are made by the use of blends of new and reworked wool. Some of these blends are simple, while others are quite complicated, calling for definite and different proportions in warp and filling. If reworked wools regardless of quality are thus to have their unpopularity in the public mind impede their sale, it would be necessary in many cases to rearrange blends so as to work out a percentage having the least prejudice against it in the public mind. Exhibits 130 and 130a make this point clear. Stamp the fabrics with a statement of their new wool content and the price of 130 would be substantially enhanced,

while 130a could scarcely be sold at all. The skill in blending fibers which has resulted in the ability to make fabric 130a at a low figure would be wholly lost.

NOTE.—In the case of fabrics 106, 107, 111, 116, 126, and 127 it has been possible to secure trustworthy estimates of the increase in cost which would be involved in the manufacture of the fabric of all new wool. In the case of 130 and 130a actual experience is the basis of the difference. The increase runs from 30 cents in cases where the percentage of reworked wool now used is small, to \$3.95 in the case of fabrics 130 and 130a.

2. Incompetent manufacturers who would by the terms of the bill be able to ascertain the percentages in successful blends of wool would be led to imitate them, and many inferior fabrics would follow the development of any successful combination. This form of initiative competition with the sanction of a misleading branding of content (the use of which is enforced) would result in a confusion of the consumer infinitely worse than even the worst that can follow any failure to distinguish between new and reworked wool.

3. Before discussing the cost of branding fabrics as required by the bill there are certain mechanical difficulties connected with marking which require attention. Granting that it may be mechanically possible to put a brand on every yard of fabric containing wool manifestly it would be undesirable to do this in all cases. Fabrics having a plaid back, for example, would have their value seriously impaired if an indelible mark were placed on every yard, and if the mark were not indelible the way would be open for false claims by accidental erasure which would completely destroy the effectiveness of the law. Again, in the case of delicate fabrics it would be impossible to mark by stamps so that in the garment made up there would not be ugly blotches at intervals. In other fabrics the brand might not show through under certain circumstances, while under other circumstances, such as exposure to a high light, the brand would be visible. The elegance of appearance of a young man clothed in white flannel trousers with the brand showing through at intervals, or whenever he appeared in the sunlight would be quite seriously impaired. The same difficulty would be found in many types of dress fabrics. Again, even though the fabric may not be delicate, the stamping might be a nuisance. An unlined overcoat, or coat with a brand on every yard showing the raw material content probably would not meet with general public approval. Such branding would also put an end to the thrifty practice of "turning" and remaking dresses and suits.

4. Another matter for serious consideration is the difficulty of enforcing the branding regulations in the case of imported goods. The difficulty of establishing a case against a foreign manufacturer, even under the terms of the bill as drawn, and the difficulty of securing prosecution, even after the case had been established, would constitute an advantage to the foreign manufacturer in competition with the American wool fabric maker.

5. Concerning the direct cost of marking fabrics of wool as required by the bill, it is difficult to make definite statements. On the basis of the census of 1914 over 565,000,000 yards of fabric would require marking. No past experience is available to serve as a basis for estimating what the cost per yard of marking on this scale would be. If it were a negligible amount like one-half cent per yard the total cost would be \$2,850,000. At the rate of 2 cents a yard it would be \$11,300,000, and if it involved a cost of 5 cents a yard the total increase in the cost of cloth would be \$28,000,000, on the yardage of 1914. The real point to be observed in this connection is the fact that nobody knows what it would cost, because marking like this never has been done on such a large scale.

Three methods of marking alone are available for use. In one, by attaching a jacquard head to each loom on which cloth is woven, the required data could be woven into the selvage of the goods. This, however, would be an expensive method of marking, and while perhaps necessary in some cases would so disturb the production processes and add so materially to production costs that its use would be very restricted. Another method of marking fabrics in accordance with the law, which is much cheaper, would be by means of a transfer stamp. This process is covered by what are known as Kaumagraph patents, which still have a number of years to run. The Kaumagraph attachments now in use are all attached to a measuring machine of one certain type, made by one concern which also controls the Kaumagraph patents. In connection with this particular machine the attachment is a device of demonstrated practicability, although its use slows down the speed of the measuring machine to 45 feet per minute, whereas its normal capacity is nearly twice that. The use of the Kaumagraph in connection with any other machine is still in an experimental stage. Moreover, there are only eight mills now equipped with these Kaumagraph attachments now in use in wool manufacturing, and the makers of the attachment are now eight months behind on all machine orders. At anything like the present rate of production for the attachments it would take years to equip the mills of the country. The only other feasible method of marking by transfer stamps is to apply stamps by

hand, having the device in transfer material on paper strips and transferring it to the cloth by use of a hot iron. This would be extremely expensive and would involve costly changes in equipment and planning of packing rooms. The third method of marking, by means of stencils, is less satisfactory than either of the others described.

Briefly, the conditions with respect to the mechanics of marking are these: Mechanically it is feasible; actually, the necessary equipment is not available and could not be for all the industry for several years; in the meantime hand marking would have to be resorted to, the cost of which would be fabulous. Even granting that the necessary machine equipment eventually could be secured, the cost of introducing and operating such a system of compulsory branding would be considerable, as each attachment would represent an initial outlay of over \$1,000 in addition to the cost of operating. These costs, whatever they might be, would be justified only if the branding process effectually safeguarded the public against a serious and costly menace.

6. These figures make no allowance for the cost of registration or of the Government inspection service necessary to check up the accuracy of marks. No estimate of this inspection cost can be made, but it probably would not cost less than the Federal meat-inspection service, which was \$3,500,000 for the fiscal year ending June 30, 1919, and which is estimated to be \$3,900,000 for the present fiscal year.

7. These are only the direct costs of carrying out the proposed measure; many indirect costs could be counted on to develop. For example, in many cases the textile worker's pay is based on the value of production. The retarding of production would be certain to increase the wages cost per yard. It is difficult to put into figures these and similar indirect costs, but they would be substantial and ought not to be ignored. These and even greater additions to cost might be justified if in return for them the consumer received some adequate compensation in the way of security against some serious and commonly practiced fraud. But he would not; he would get merely a statement about the component materials in the fabric bought, which would have no relation to its quality.

In summary, the third point made is that this proposed bill, if enacted, will increase the cost of producing all fabrics of wool, which eventually must fall on the consumer. He would be obliged to pay a higher price for raw material; he would pay for the cost of marking, and the indirect additions to the cost of manufacture; he would pay higher prices for all virgin wool fabrics, and many good mixed fabrics now sold at a low price would be driven from the market; and in return for all this he would get only a misleading brand.

IV. The proposed bill can not give to the public any protection against fraud not normally afforded by the operation of competition. A law preventing misbranding is preferable to the law proposed.

1. Before considering the effectiveness of the proposed bill in the protection of the public as compared with the normal protection granted by competitive conditions, it is necessary to recognize the distinction between fraudulent practices and business methods developed by honestly conducted trade. Honest business ought to be encouraged to conduct itself with economy and with ease. Fraud ought to be not merely made inconvenient; it should be stopped. Competition as long as it is unrestricted and is conducted on an honest basis forces the cloth manufacturer to put into any fabric to be sold at a given price a maximum of those qualities desired by the public and to be found in competing fabrics at the same or a similar price. It has repeatedly been pointed out that these qualities are not dependent on the amount of virgin wool in the fabric. Any manufacturer who does not put into his fabrics the largest amount of these qualities compatible with the price charged will in the normal course of honestly conducted trade be eliminated or be forced to reduce his price to correspond with the qualities of his goods. Of wool fabrics for clothing, the greater part are now sold to clothing manufacturers, whose expert buyers are not easily deceived with respect to the relation between the quality of the fabrics they buy and the prices they pay for them. The prevailing practice in the clothing trade, as in the fabric business, is the conduct of business on an honest basis, and with from one to three expert buyers standing between him and the cloth mill there is little chance of the consumer getting a fabric poorer in quality than he pays for. In a measure the same safeguard exists in the case of the business of handling fabrics for sale over the counter. Retail stores operating on any considerable scale can not afford to have a buying staff unable to judge accurately of qualities, nor can such a store afford to mislead its customers as to the quality of its merchandise at the price paid. So far as the greater part of the trade is concerned either in the case of ready-to-wear or over-the-counter business, it is impossible for any appreciable amount of dishonest competition to be carried on without certain and costly retribution. That portion of the fabric business which is honestly conducted clearly would not be helped nor would it serve its customers better under the proposed law.

2. The percentage of the total volume of the fabric trade which is dishonestly conducted is extremely small, and most of the changes in the organization of trade methods which have taken place during the last generation have been of such a character as to make dishonest competitive methods unpopular and unprofitable. The really pertinent point, however, in connection with fraudulent practices is the manifest fact that the imposition of a requirement that fabrics shall be marked to indicate their composition on a basis which has no relation to their quality would have no appreciable effect in reducing such fraud as may exist. It would merely introduce a new chance for the misleading of the public.

3. Fraudulent competition has been successfully attacked only by direct methods aimed at false representations. By an old and generally accepted principle of law the buyer is supposed to have wits and to exercise reasonable prudence in his purchases. But the spirit of the law defends him against deliberate misrepresentation. In Britain the merchandise marks act, which is designed to meet those evils to which fraud in the sale of cloth belongs, has been in force in its present form since 1887. This law, in effect, so far as it bears on false representations, does not require the manufacturer or merchant to make any claim or statement concerning the nature of his merchandise, but if he makes any claim or statement it must be an honest one, and heavy penalties are imposed in case any misleading statement is made. At least one bill based on the British merchandise marks act is now before Congress. Apparently the public feels some need for legislation better to protect it against false representations in the sale of merchandise. This feeling applies to wool fabrics as well as to many other lines. If there is to be legislation it should take the form of a law of this kind, the enforceability of which has been demonstrated and which is based on a sound principle of law. This would be more effective as a protection to the public in the case of wool fabrics than would the establishment of a set of standards based on percentages of component materials when a knowledge of these percentages gives to the consumer no trustworthy idea of the quality of the fabrics.

In summary, the fourth point made is that the proposed legislation, so far as it is designed for the protection of the public, is aimed at the dishonest few in the wool industries. Normal conditions protect the public against fraud in all except a small percentage of cases. These dishonest persons should be hunted out and their practices stopped by means which will protect the public against them instead of by a type of legislation whose chief effect will be to handicap honest business while encouraging new types of fraud.

GENERAL SUMMARY.

It has been shown that the proposed bill would put a premium on fabrics of new wool. That is its avowed purpose. It has been shown also that it would put an unfair stigma on reworked wool and fabrics containing that material. This would be desirable either if reworked wool were a bad fiber or if fabrics made from it were necessarily of poorer quality than fabrics of new wool; but they are not, and this also has been proved. It has been shown that the branding as prescribed by the law would have no relation to the value or desired properties of the fabrics, and that instead of such marking making it possible for the consumer to know what he is buying it would merely add to his confusion. It has been shown that normal competition serves as a better check on fraud than the enactment and enforcement of this measure could be. It has been shown that the law would make wool fabrics cost more and that the consumer would receive no adequate compensation for this increase in price. It has been shown that the proposed measure would not correct the evils it aims at, while another measure based on a tested principle of law would. This so-called Truth in Fabric law would be ineffective, costly, and against the public interest.

CHARLES H. WILSON,
Chairman,

SAMUEL R. HAINES,

CARL VETTER,
Committee.

FREDERIC S. CLARK,
President National Association of Wool Manufacturers.

PAUL T. CHERINGTON,
Secretary National Association of Wool Manufacturers.

APPENDIX 1.

The census for 1914 gives the following figures covering the quantity of virgin wool consumed in the various branches of the wool manufacture. These figures are for wool in the condition in which it was purchased; that is to say, the figures give the amount in pounds whether the wool was in the grease or scoured.

Pounds of wool in condition purchased, census year 1914.

Total wool manufactures.....	502,857,333
Woolen goods.....	78,873,319
Worsted goods.....	355,854,756
Carpets and rugs.....	52,552,449
Felt goods.....	14,969,852
Wool felt hats.....	606,957

The figures for the principal fibers used in wool manufacture in 1914 (industries as above listed) given in millions of pounds were as follows:

Total.....	458
Scoured wool.....	307.7
Mohair, camel hair, alpaca, and vicuna.....	15.9
Other animal hair.....	28.1
Recovered wool fiber.....	70.9
Cotton.....	38.3

APPENDIX 2.

Products of the woolen-goods and worsted-goods industries, 1914.

Product.	Total.	Woolen.	Worsted.
Total value.....	\$379,484,379	\$103,815,905	\$275,668,474
All-wool woven goods:			
Total square yards.....	323,037,563	85,565,208	237,472,355
Total value.....	\$203,390,017	\$53,056,310	\$150,333,707
Woolen suitings, overcoatings, and dress goods—			
Square yards.....	90,950,381	74,220,650	16,729,731
Value.....	\$55,660,503	\$45,444,007	\$10,216,496
Worsted suitings, overcoatings, and dress goods—			
Square yards.....	222,420,785	2,508,763	219,912,022
Value.....	\$141,778,035	\$2,137,030	\$139,641,005
Flannels for underwear—			
Square yards.....	2,176,264	2,176,264	.....
Value.....	\$880,494	\$880,494	.....
Blankets—			
Square yards.....	6,489,689	5,786,215	703,474
Value.....	\$4,186,754	\$3,843,893	\$342,861
Horse blankets—			
Square yards.....	102,205	102,205	.....
Value.....	\$82,398	\$82,398	.....
Carriage cloths—			
Square yards.....	514,226	514,226	(*)
Value.....	\$443,223	\$443,223	(*)
Carriage robes—			
Square yards.....	132,399	132,399	(*)
Value.....	\$158,900	\$158,900	(*)
Shawls—			
Square yards.....	124,486	124,486	(*)
Value.....	\$66,365	\$66,365	(*)
All other—			
Square yards.....	127,128	.....	127,128
Value.....	\$133,345	.....	\$133,345
Cotton-warp woven goods:			
Total square yards.....	196,179,866	102,930,421	93,249,445
Total value.....	\$48,816,015	\$22,692,131	\$26,123,884
Wool-filling suitings, overcoatings, and dress goods—			
Square yards.....	53,509,462	48,284,320	5,225,142
Value.....	\$13,596,007	\$11,878,272	\$1,719,735
Worsted-filling suitings, overcoatings, and dress goods—			
Square yards.....	56,763,091	2,696,072	54,067,019
Value.....	\$15,563,099	\$665,342	\$14,897,757

* In addition, woolen and worsted goods to the value of \$2,635,889 in 1914 and \$3,183,485 in 1909 were made by establishments engaged primarily in the manufacture of other products; of these amounts products valued at \$1,500,567 in 1914 and \$1,902,187 in 1909 were made by carpet and rug and by felt-goods mills.

† Can not be shown separately; included in "all other" for the group.

Products of the woolen-goods and worsted-goods industries, 1914—Continued.

Product.	Total.	Woolen.	Worsted.
Cotton-warp woven goods—Continued.			
Domest flannels and shirtings—			
Square yards.....	16,092,266	16,092,266	(1)
Value.....	\$2,814,054	\$2,814,054	(1)
Linings, Italian cloths, and lastings—			
Square yards.....	36,196,243	2,355,141	33,841,102
Value.....	\$9,804,661	\$312,889	\$9,491,772
Satinets and linseys—			
Square yards.....	8,415,079	8,415,079	(1)
Value.....	\$1,535,291	\$1,535,291	(1)
Blankets—			
Square yards.....	17,973,821	17,973,821	(1)
Value.....	\$3,010,070	\$3,010,070	(1)
Horse blankets—			
Square yards.....	5,831,305	5,831,305	.....
Value.....	\$1,539,526	\$1,539,526	.....
Carriage robes—			
Square yards.....	1,282,417	1,282,417	.....
Value.....	\$936,687	\$936,687	.....
All other—			
Square yards.....	116,182	.....	116,182
Value.....	\$14,620	.....	\$14,620
Union or cotton-mixed woven goods:			
Total square yards.....	46,244,730	40,067,358	6,177,372
Total value.....	\$16,473,448	\$13,935,290	\$2,538,158
Cotton-mixed suitings, overcoatings, and dress goods—			
Square yards.....	31,400,082	28,549,109	2,850,973
Value.....	\$11,710,610	\$10,243,869	\$1,466,741
Flannels for underwear—			
Square yards.....	4,995,575	4,995,575	.....
Value.....	\$1,089,661	\$1,089,661	.....
Blankets—			
Square yards.....	3,937,463	3,937,463	.....
Value.....	\$2,067,934	\$2,067,934	.....
Horse blankets—			
Square yards.....	2,231,162	2,231,162	(1)
Value.....	\$395,858	\$395,858	(1)
Carriage robes—			
Square yards.....	354,049	354,049	(1)
Value.....	\$137,968	\$137,968	(1)
All other—			
Square yards.....	3,326,399	.....	3,326,399
Value.....	\$1,071,417	.....	\$1,071,417
Upholstery goods and sundries:			
Total value.....	\$2,042,029	\$1,543,881	\$498,148
Woolen, worsted, and mohair upholstery goods—			
Square yards.....	1,598,444	1,351,262	247,182
Value.....	\$1,809,474	\$1,539,391	\$270,083
All other, value.....	\$232,555	\$4,500	\$228,055
Yarns for sale:			
Total pounds.....	132,559,701	38,416,266	99,143,435
Total value.....	\$85,872,215	\$9,255,625	\$76,616,590
Woolen—			
Pounds.....	26,125,575	18,723,346	7,402,229
Value.....	\$8,783,020	\$6,344,824	\$2,438,196
Worsted—			
Pounds.....	86,412,097	840,585	85,571,512
Value.....	\$69,801,271	\$400,736	\$69,400,535
Woolen, union or merino—			
Pounds.....	6,473,849	6,473,849	.....
Value.....	\$1,689,530	\$1,689,530	.....
Worsted, union or merino—			
Pounds.....	4,048,514	.....	4,048,514
Value.....	\$3,173,034	.....	\$3,173,034
All other—			
Pounds.....	9,499,666	7,378,486	2,121,180
Value.....	\$2,425,360	\$820,535	\$1,604,825
Worsted tops and slubbing:			
Pounds.....	8,985,170	.....	8,985,170
Value.....	\$4,926,929	.....	\$4,926,929
Noils:			
Pounds.....	23,961,100	91,867	23,869,233
Value.....	\$6,819,690	\$23,901	\$6,795,789
Waste:			
Pounds.....	26,433,970	5,769,336	20,664,634
Value.....	\$3,320,447	\$232,438	\$3,088,009
All other products, value.....	\$4,396,953	\$2,497,119	\$1,899,834
Contract work, value.....	\$3,436,636	\$579,210	\$2,857,426

¹ Can not be shown separately: included in "all other" for the group.

APPENDIX 3.

NEW MATERIALS USED IN WOOLEN-GOODS AND WORSTED-GOODS INDUSTRIES,
CENSUS OF 1914.

[Millions of pounds.]

	Total.	Woolen. industry.	Worsted industry.
Wool in condition purchased ¹	- 434.7	78.9	355.8
Tops.....	29.1	.6	28.5
Yarns purchased:			
Woolen.....	2.1	.9	1.3
Worsted.....	53.6	2.6	51.0
Total wool, wool tops, and wool yarn.....	519.5	82.9	436.6
Mohair, camel, alpaca, and vicuna.....	14.3	2.3	12.0
Total wool, tops, yarn, and mohair, etc.....	533.8	85.2	448.6
All other animal hair.....	14.7	13.9	.8
Total wool tops, yarn, and all hair.....	548.5	99.1	449.4
Waste and noils.....	42.4	37.9	4.5
Total wool, tops, yarn, hair, and noils and waste.....	590.9	137.0	453.9
Total wool, tops, yarn, noils and waste.....	561.9	120.8	441.1

¹ Scoured equivalent of wool purchased (millions of pounds): Total, 257.4; woolen industry, 58.7; worsted industry, 198.7.

REWORKED MATERIALS USED IN WOOLEN-GOODS AND WORSTED-GOODS
INDUSTRIES, CENSUS OF 1914.

Rags, clips, etc.....	59.4	58.7	0.7
Reworked wool fiber.....	26.2	25.9	.3
Total reworked stock.....	85.6	84.6	1.0
Merino yarns purchased.....	.55	.5	.05
Total reworked material not including waste and noils.....	86.15	85.1	1.05

FIBER MATERIALS OTHER THAN WOOL USED IN THE WOOLEN-GOODS AND
WORSTED-GOODS INDUSTRIES, CENSUS OF 1914.

Cotton, raw.....	28.3	23.9	4.4
Cotton yarn purchased.....	32.1	15.3	16.4
Total cotton and cotton yarn.....	60.4	39.2	20.8
Silk and spun silk.....	.5	.1	.4
All other fibers.....	1.978	1.975	.003

APPENDIX 4.

Percentage of reworked wool to total wool fiber retained for consumption in the United Kingdom.¹

[Millions of pounds.]

	Total wool fiber.	Reworked wool fiber.	Percentage of reworked wool in total.
1905.....	679.7	180	
1906.....	734.3	190	
1907.....	833.4	210	
1908.....	738.0	180	
1909.....	775.7	205	
Average, 1905-1909.....	752.6	193	25.6
1910.....	872.2	226	
1911.....	876.3	210	
1912.....	833.3	201	
1913.....	872.2	205	
1914.....	759.0	190	
Average, 1910-1914.....	842.6	206.4	24.5
1915.....	1,159.6	200	17
1916.....	950.7	210	22
1917.....	879.0	130	14.5
1918.....	636.7	100	15.7

¹ Figures prepared by Bradford Chamber of Commerce.

DESCRIPTION OF SAMPLES.

Samples of fiber.

1. This exhibit is a high-grade new wool, scoured and ready for manufacture. A buyer of cloth or fabric who wants goods made of such wool and is willing to pay for them should be sure of getting them, but the proposed bill gives him no such certainty. Market price, \$1.95.

1a. This sample is a fine scoured Australian wool with a present market value of not less than \$2.40 per pound. Obviously this can only be used in expensive fabrics. This sample should be compared with 20 or 22 for price as well as for quality.

2. Shearlings: New wool taken from the skins of sheep slaughtered for mutton, too soon after shearing to permit the fleece to have attained any great length. These fibers make a much less satisfactory yarn or cloth than can be made from many grades of shoddy. Shearlings, however, must be classed as virgin wool. Market price, \$0.80.

3. Tag locks: The ends of wool fiber from portions of the fleece thoroughly matted with foreign matter. These are separated from the remainder of the fleece and sold separately at low prices. By special treatment short and inferior wool can be reclaimed from these tag locks, but these wools are of inferior quality and in many respects poorer than many grades of shoddy. They would, however, be classed as virgin wool and would be sold at a premium as compared with stigmatized reworked wool of better quality. Market price, \$0.05.

4. Tag locks: Scoured and ready for manufacture. Market price, \$0.70.

5. A kempy wool from South Africa: This is an excellent raw material for some purposes, but because of its coarse character it is inferior to many grades of reworked stock as a material for clothing. It is, however, a virgin wool, and under the bill proposed would receive the same mark as the finest grade of new wool. Market price, \$0.20.

6. Card waste: This is a waste material which collects about the cards used in carding wool in the woolen mill. This material has its proper place in wool manufacture. Under the bill as drawn this would be classed as virgin wool and would be at a premium, while garnetted sweater stock or any other high-grade shoddy, both of which intrinsically are much better raw material, would be stigmatized. Market price, \$0.15.

7. Coarse noils: In the manufacture of wool into worsted yarns the material is combed for the purpose of laying the fibers parallel and taking out the short fibers. These short fibers are called noils. The noils in this sample came from coarse wools, but they would be classed as virgin wool and their price would be enhanced while any high grade reworked stock, a much better material, would be stigmatized, in case the pending bill were passed. Market price \$0.35.

8. French noils: These noils are of a finer grade than sample 7, and for some varieties of cloth they are necessary for giving the kind of finish desired. In strength and wearing properties they are inferior to many sorts of shoddy and yet they must be classed as virgin wool. Compare the length and character of this fiber with that of samples No. 20 or No. 22. Market price \$0.85.

20. A high grade reworked wool or shoddy from all-wool new clips or trimmings from new cloth resulting from the cutting of patterns in clothing factories: It is a clean, strong fiber, clearly superior to several of the exhibits of virgin wool, and yet under the bill it would be given the same designation as the poorest grade of reworked stock—it is shoddy. Market price \$0.68.

22. Garnetted sweater stock, made by resolving sweater yarns into the original plain fiber: This material is in every respect equal to a very high grade virgin wool, and is certainly superior to many types of new wool. Under the bill it would be classed as shoddy, and fabrics made from it would be stigmatized. Market price \$0.70.

23. A shoddy of a type which can be used only in low priced fabrics under present conditions of competition: Any manufacturer putting this sort of material into a fabric for which a high price is charged would suffer in competition the fate of any other cheat. Properly used it gives a serviceable fabric at a price much below that which must be charged for a fabric of new wool of like quality. Market price \$0.32½.

30. Sea-island cotton: Concerning this specimen the dealer from whom it was secured says: "Such cotton, if it could be obtained, would be worth \$1.50 a pound to-day." Cotton of this kind would not be likely to be used as a cheapening adulterant in a wool fabric. Cotton has a recognized place in the wool manufacture and it is no more accurate to speak of a mixed cotton and wool fabric as adulterated than to so designate a fabric made of silk and linen. The presence of cotton can be determined by expert cloth buyers by chemical test. These cloth buyers under competitive conditions effectively safeguard the consumer against dishonesty.

31. Full one-fourth cotton: Cotton with staple about $1\frac{1}{4}$ inches long. A high-grade cotton now worth 95 cents per pound.

32. Low-grade cotton: Now worth about 25 cents per pound, and yet not distinguished under terms of the bill from either of the above samples. Under the proposed system of marking this material would be designated in the same way as the \$1.50 cotton in sample 30.

Samples of fabric.

100. A fabric of 100 per cent virgin wool, without beauty, warmth, or wearing qualities. Under such a bill as is proposed, this would be stamped on every yard to show that it is made of all new virgin wool. There is in no cotton and no reworked stock, nothing but new wool. To the consumer buying the fabric this marking would have the effect of obscuring the natural and correct judgment that it is a very poor fabric. Even such a fabric as this would in a measure be put at a premium in competition with intrinsically better fabrics which would have to be classed and marked as being mixed. Compare this fabric with mixed fabrics such as 106, 116, or even the all shoddy fabric No. 125. The bill would put a premium on the production of low grade new wool fabrics and a stigma on fabrics containing reworked wool, no matter how good.

101. A fabric made entirely of new wool, of medium weight, and superior quality: Any system of branding which marks fabric No. 100 by the same brand as would be borne by No. 101 is obviously bound to mislead the buyer as to the value of No. 100.

105. A fabric made of 30 per cent new wool and 70 per cent of reworked wool. This is an attractive, serviceable cloth and would give the wearer good satisfaction.

105a, is made of 30 per cent low wool and 70 per cent low shoddy and while it carries identically the same label as Exhibit 105, the cloth would be unsatisfactory in every respect. This illustrates how misleading the labeling under this act would be to the purchaser of clothing. Should a customer buy a suit made from Exhibit 105a and find it unsatisfactory, which he surely would, he would not later buy a suit made from Exhibit 105, as he would say that the material, as far as the label indicates, is exactly like the suit he bought before. Thus it would prejudice him against buying perfectly good cloth.

106. New wool and reworked wool: A beautiful and strong fabric containing 65 per cent new, and 35 per cent reworked wool. The mill cost if made entirely of new wool, would be about 35 per cent greater and the wearing properties would not be proportionately increased.

107. A kersey of new and reworked wool: Proportions 32 and 68 per cent, respectively. A fine fabric, the cost of which per yard would be increased by \$1.14 if made of all virgin wool.

109. A fancy suiting of 57 per cent new wool and 43 per cent reworked wool: An attractive and serviceable fabric which can be sold at a medium price. Fabrics of this type outlast the fashion in which they are made up. Any added price paid for all new wool would yield no adequate return in serviceable wear.

110. Fabric composed of 25 per cent cotton, 40 per cent reworked wool, and 35 per cent new wool with unusual strength and wearing qualities.

111. A serviceable fabric, which under the proposed law could not be sold on its merits but must bear the stigma of containing only 50 per cent new wool. Made of all new wool its mill cost would be 50 cents a yard greater.

112. A light-weight fancy fabric made of 35 per cent of wool noils, the remaining 65 per cent being reworked wool and cotton. A strong, warm fabric which is sold at a low price. A particularly good and serviceable fabric for children's clothing.

116. A serviceable fabric which, under this bill, would be obliged to carry the stigma of being 25 per cent cotton. To make it of all virgin wool even at present prices of cotton would increase its cost over 30 cents a yard. Under all normal circumstances a fabric containing cotton can not masquerade. It must sell as a mixed fabric. The proposed law would afford no protection.

120. A fabric composed of 70 per cent reworked wool and 30 per cent cotton. Contains no new wool. This is a good, stout fabric, and at a fair price as guaranteed by open competition, would sell at its real worth, not above.

121. A fabric containing no new wool whatever. It is made of 20 per cent of cotton and 80 per cent of reworked wool. It is sold in large quantities at a low price. For shirting cloth for workmen.

125. A fabric made entirely of reworked wool. Note the good texture and the manifest strength of the fabric. Compare it with fabric No. 100. And yet this fabric 125 under the proposed law would be marked with as bad a mark as could be given, while fabric No. 100 would bear the same brand as the finest fabric that could be made.

126. A chinchilla overcoating made entirely of reworked wool—at a mill cost of \$3.09 per yard. It is estimated that the same fabric made of new wool would cost at least \$5.20 per yard to make. Compare with similar fabrics of all virgin wool 126a.

127. An attractive melton overcoating which has a wide sale at a reasonable figure. It is made entirely of reworked wool. Any bill designed to stigmatize such a fabric by calling it by terms which would capitalize an ignorant public prejudice would drive this fabric from the market and put in its place a similar all virgin wool fabric which could not be sold for within \$2 or \$2.50 per yard of the price for this.

130 and 130a. These two fabrics are similar in all essential respects except for the raw materials from which they are made. They are from the lines regularly carried by a manufacturer. No. 130 is made of all virgin wool. The manufacturer's price for it is \$6.60 per yard. No. 130a is made of 10 per cent virgin wool, 10 per cent cotton, and 80 per cent reworked wool. The manufacturer's price for it is \$2.65 per yard. To be sure it is not as durable a fabric as 130, but at the price charged for it it is a good money's worth, and does not deserve to be stigmatized in the public mind. Notwithstanding the similarity in appearance, competition would not permit a seller to attempt to substitute 130a for 130, even if he had no moral scruples.

131. This fabric is a regular line carried by a manufacturer. It is constructed of 98 per cent pure new worsted and has in it 2 per cent of cotton twist purely as a "decoration." This fabric is now sold extensively in high class trade. If branded to indicate the presence of cotton, it would be discredited and its marketability impaired.

Some of the difficulties of marking are shown by the lettered samples. Samples A, B, and C are "plaid back" materials which are made up without lining. They would be ruined by stamping. Sample D is a fancy worsted for women's and children's dresses. A stamp on every yard would spoil it. The remaining lettered samples are of white or delicate shades. Stamping would show through these and ruin their salability. Moreover, garments made from them never could be "turned."

Mr. BARKLEY. Will you let me ask you a question outside of your brief, or if somebody else is going to testify to that fact, I will not ask it. I would like to know this: Take the entire quantity of new wool produced in the country in a year. What proportion of it is made up of high-grade wool worth \$1.95 a pound and what proportion is made up of kempy wool or card wool? Are you able to answer that?

Mr. CHERINGTON. So far as this fine scoured No. 1-A wool is concerned, that is Australian wool.

Mr. BARKLEY. I am not referring to Australian wool. I am referring to No. 1, the domestic product.

Mr. CHERINGTON. There are no adequate statistics that show the actual percentages available at the mill of all these different qualities. The nearest figures are those in the appendix to this brief, giving the total weights of the principal classes of the fiber and material consumed.

Mr. BARKLEY. So that you do not know, then, taking the average sheep from which the wool is sheared, how much of that particular wool would be made up of this high-grade No. 1 wool?

Mr. CHERINGTON. That could not be answered, Mr. Barkley, because there is no such thing as an average sheep. It would be like taking an average between a cow and an eagle. There are so many different kinds of sheep, there is no such thing as an average sheep. Do you see what I mean?

Mr. BARKLEY. Yes, I see what you mean. I thought if you took all the different sheep together, there might be an average struck.

Mr. CHERINGTON. There are some 300 different types of wool.

Mr. BARKLEY. We have only been shown about half a dozen. It seems to me there ought to be some information as to how much of the total product of domestic wool is made up of No. 1 high-grade wool.

Mr. CHERINGTON. So far as the general tendency is concerned, the production of the fine wools has steadily decreased for years, and the

fine wools are the territory wools, the coarser wools are from the Mississippi Valley.

Mr. BARKLEY. The answer to that question has an important bearing on the question as to whether there is enough of this good quality virgin wool to supply the demand for any larger quantity of good cloth?

Mr. CHERINGTON. The total wool clip is about 300,000,000 pounds. That is in all the grades. The total consumption in normal years, taking all wool together, is about 600,000,000 pounds. Now, suppose it was all fine wool, 300,000,000 pounds of it would have to make all the clothes you need. But there are unfortunately no figures at all that show anything like an accurate proportion.

Mr. BARKLEY. You would not hazard a guess at it?

Mr. CHERINGTON. No, sir.

Mr. SIMS. Here are samples of goods. Here is sample 130—

Mr. CHERINGTON (interposing). Mr. Clark is going to show you the samples. If you will let him show you the samples—

Mr. SIMS (interposing). I do not have to, I have them right here now. Sample No. 130 is 100 per cent new wool, price \$6.60. I suppose that means the price per yard?

Mr. CHERINGTON. \$6.60 per yard at the mill.

Mr. SIMS. At the mill?

Mr. CHERINGTON. Yes, sir.

Mr. SIMS. That is the mill price?

Mr. CHERINGTON. Yes, sir.

Mr. SIMS. Now, another sample, No. 130-A; 10 per cent new wool, 10 per cent cotton, 80 per cent reworked wool, price \$2.65.

Mr. CHERINGTON. Yes, there is a difference of \$3.95 between those two samples. They are both made by the same manufacturer and never sold the cheaper for the better.

Mr. SIMS. Now, does not the price of the one that only contains 80 per cent reworked wool, 10 per cent cotton and 10 per cent new wool, stigmatize it as against the 100 per cent wool?

Mr. CHERINGTON. Not in the least. Mr. Clark will take that up more fully.

Mr. SIMS. But you are an expert—

Mr. CHERINGTON (interposing). No, I am not an expert. But I can answer your direct question. It is a splendid fabric for \$2.65.

Mr. SIMS. Oh, yes; but yet, compared with the 100 per cent article, the price shows it is not all new wool, just as well as if there was a label on it. Is not that true?

Mr. CHERINGTON. No; it shows that it is a splendid fabric, well worth the price of \$2.65. It does not show what is in it.

Mr. SIMS. But a layman like myself could not tell anything about the difference simply by inspection or feeling or in any other way?

Mr. CHERINGTON. Nor could you if it was stamped all over the back. But you go to an honest tailor and tell him what you want to pay for a suit and he will give you one.

Mr. SIMS. Have you got one on?

Mr. CHERINGTON. Yes, sir; I have had many of them.

The CHAIRMAN. You may proceed, Mr. Clark.

STATEMENT OF MR. FREDERIC S. CLARK—Continued.

Mr. CLARK. Mr. Chairman, I would like very briefly to call your attention to these samples of fabrics. You will find that they are fastened together in little groups. Now, sample No. 101 would be stamped 100 per cent virgin wool, and you will see that there is a very good fabric. Sample No. 100, right under it, would also be stamped 100 per cent virgin wool, but it is a very worthless fabric. At the same time if it was stamped 100 per cent virgin wool, with the attitude of the public toward virgin wool, they would be led to believe that that was a pretty valuable fabric and would be influenced to purchase it as against a fabric that had either 100 per cent shoddy or a lesser percentage of shoddy, with a lesser percentage of virgin wool. Now, compare sample 100 with those that are attached to it, right below. There is No. 105, which has 30 per cent virgin wool and 70 per cent reworked wool. No. 106 has 65 per cent virgin wool and 35 per cent reworked wool. No. 116 has 75 per cent virgin wool and 25 per cent cotton. No. 125 has 100 per cent reworked wool. Now, every single one of these fabrics with percentages of reworked wool, and one of them with a percentage of cotton, is a vastly better and more serviceable fabric than this fabric No. 100 which is stamped 100 per cent virgin wool, and yet the mere stamp, the indication that there was a certain percentage of shoddy or cotton in those fabrics, would influence the consumer against them when he came to examine the fabrics for purchase.

Now, another thing. Compare No. 105 with No. 105-A, which is a single sample right below the others. Those two fabrics would bear precisely the same brand; they are both made of 30 per cent virgin wool and 70 per cent reworked wool, but, as you will see, they are of vastly different quality, not at all alike. Suppose a man bought a suit of 105-A and he observed the stamp on it, 30 per cent new wool and 70 per cent reworked wool, and it gave him very poor satisfaction in wear, as it certainly would. He would fight very shy of any stamp of that character after that, and if he were shown fabric No. 105 subsequently, bearing precisely the same stamp and which is really a valuable and serviceable fabric, as I say, he would fight shy of it because of his former suit, tagged with the same percentages of material.

Mr. BARKLEY. Then, sample No. 105-A does not contain anything except new wool and reworked wool?

Mr. CLARK. No, sir.

Mr. BARKLEY. It looks like it had a good many shades and tooth-picks in it, nothing like wool.

Mr. CLARK. What you see there is the kempy wool. The virgin wool in that is the wool that is represented in that kempy wool that I showed you before, in No. 5. The wool in that sample, 30 per cent of it, is No. 5 wool, and that white fiber that you see in it, the hairy white fiber, not all the white fiber, but the hairy white fiber, is the kempy fiber that is in that wool.

Mr. BARKLEY. Now, from what sort of sheep would this white fiber in No. 105-A grow?

Mr. CLARK. You mean the kempy part of it?

Mr. BARKLEY. Yes.

Mr. CLARK. I could not tell you what breed of sheep it came from.

Mr. BARKLEY. It looks more like vegetable matter than wool.

Mr. CLARK. On, no; it is wool, but it is dead fiber. That is the reason it looks that way. Sheep are liable to have dead fiber, in which case they are white and they have that hairy appearance. Now, the next lot, if you will please examine it, has on top sample No. 109, and I want to show that collection to you with the statement that they are all good, serviceable fabrics, but they would all be stigmatized in the minds of the public by the stamp that they would have to carry under this bill. No. 109 has 57 per cent new wool and 43 per cent of reworked wool. It is a very good fabric. No. 110 has 35 per cent new wool, 40 per cent reworked wool, and 25 per cent cotton. That would also be a very serviceable fabric, and, if you feel it, you will find it is a good, firm fabric. No. 121 has no virgin wool in it; it has 80 per cent reworked wool and 20 per cent cotton. It is a very serviceable fabric for some purposes.

Mr. SIMS. Why was not the price put on all these samples, so that we could have an idea of it?

Mr. CLARK. I will get you a lot that has the prices on them. Now, No. 131 is a very good fabric indeed. You will see a white spot in it. It has 98 per cent virgin wool and 2 per cent cotton. The white spot in it is cotton, put in there merely for decorative purposes, in order to make that particular style of cloth, but the very fact that there was cotton in it would prejudice the consumer against it.

There is one point that has been brought up here by those in favor of the bill. A statement has been made frequently which is really absolutely not so. They have said that manufacturers are able to make fabrics using reworked wool and get exactly the same price from the public as if the fabric were made from virgin wool. That was taken up in the brief which Mr. Cherington read to you and that is absolutely not so. Competition in the business prevents it from being so. The fabrics are sold on their merits and competition in the trade requires that they should be. It would be an impossibility to make a fabric of reworked wool and get just the same price for it as a fabric that was made of all virgin wool, the qualities being of a similar character.

Mr. SIMS. How would that affect the purchaser of garments at retail?

Mr. CLARK. How would what affect him?

Mr. SIMS. The custom of an ordinary man going into a store and buying a garment?

Mr. CLARK. You mean the stamp on it?

Mr. SIMS. Well, about putting off the real cheaper goods as all wool in the retail trade?

Mr. CLARK. Do you mean if the retail clothier wanted to cheat his customers? Is that it?

Mr. SIMS. Yes; or if he wanted to get a better price?

Mr. CLARK. I think it would be rather difficult to do that in the times of ordinary business competition. Of course, it is possible that there might be shysters in the trade who would do that sort of thing, but I do not think it is prevalent.

Now, the next lot of samples are interesting. I will give you the compositions and also tell you how much more those fabrics would cost at the mill if they were made of 100 per cent virgin wool. No. 107 contains 32 per cent new wool and 68 per cent of reworked wool.

The additional cost at the mill of that fabric, if it were made entirely of the same quality of virgin wool would be \$1.14 a yard more.

Mr. SIMS. What is it now?

Mr. CLARK. The mill cost is \$3.24, and if it were made of all virgin wool it would cost \$1.14 a yard more. At the same time it is a very good serviceable fabric and would give anybody a good coat, or whatever they wanted to use it for. No. 111 has 50 per cent virgin wool, 30 per cent reworked wool, and 20 per cent cotton. The mill cost of that, as it is, is \$2.23. If it were made of all virgin wool, it would cost 50 cents a yard more. These are mill costs, bear in mind, which when they get to the consumer have considerable added to them in one way or another by reason of the number of hands through which they go. No. 126 is made of 100 per cent reworked wool. That is a chinchilla and a heavy fabric of that character can be made very well with 100 per cent reworked wool. It makes a very good fabric indeed. The mill value is \$3.09 a yard. If it were made of virgin wool it would cost \$2.10 a yard more.

Mr. BARKLEY. How about the comparative durability?

Mr. CLARK. The all virgin wool would be undoubtedly more durable, but not to the extent of the difference in price. No. 127 is also 100 per cent reworked wool. That is what we call a Melton. The cost at the mill is \$2.53. If it were made of all virgin wool it would be \$1.50 more per yard.

No. 130-A and No. 130 are two fabrics of similar appearance. They are overcoating fabrics. No. 130-A is 10 per cent new wool, 80 per cent reworked wool, and 10 per cent cotton. The mill price of that—not the mill cost but the mill price—is \$2.65; No. 130, a fabric of very similar character but made entirely of virgin wool, mill selling price is \$6.60 per yard. The mill selling price of the other fabric is \$2.65. If the first fabric, No. 130-A, were branded with its material content, it would give it a decidedly black eye with anybody looking at it, and it ought not to have a black eye, because it would give anybody an ample amount of service for the price charged for it.

Mr. SIMS. You think it would increase the sale of No. 130, which sells at \$6.60 a yard, if the mark was stamped on it, and stamped on the other fabric at \$2.65 a yard?

Mr. CLARK. Yes, sir; I think it would decrease the sale of No. 130-A.

Mr. SIMS. Then there would be a good many millionaires in the country.

Mr. CLARK. The consumer would substitute some other fabric or those that could pay the price would take the No. 130 fabric. They would not buy No. 130-A with that stamp on it?

Mr. BARKLEY. That is for an overcoat?

Mr. CLARK. Yes, sir.

Mr. BARKLEY. How many yards does it take to make a man's overcoat?

Mr. CLARK. About 2½ yards for an average overcoat and 3½ yards to make an average suit of clothes.

Mr. BARKLEY. Then about \$15 worth of goods go into a coat represented by this \$6.60 fabric?

Mr. CLARK. That is the mill price.

Mr. MONTAGUE. A tailor would charge you for an overcoat of that kind from \$125 to \$150?

Mr. CLARK. Undoubtedly. Now here is sample No. 126-A, which only came this morning, and I am showing it to you and comparing it with No. 126, which is also a chinchilla. No. 126 is made of 100 per cent reworked wool, and No. 126-A, so far as the face of it is concerned, is made entirely of virgin wool, and I think the back of it must have some reworked wool. I am sorry I have not the sale price of it. It only came this morning. It is made by one of our very best mills that makes fabrics of very great reputation. I know that in all probability it is a fabric of very high price, and it is a better fabric than No. 126. But with 100 per cent reworked wool stamped on No. 126, it would deprive the public of a very good fabric at a very low price.

Now I just want to show a few samples here. I think I will just take them up and leave them with you. Mr. Chairman, here are some delicate fabrics that it would not be practicable to put that stamp upon the back. It would either deface the fabric on goods that are made up without any lining, or it would show through under certain lights which would be very, very objectionable. There is a very fine fabric of large sale which is made by the Pacific Mills, which gives you an example of the cotton warp and worsted filling fabric. The cotton warp is about 55 per cent of the weight and the worsted filling is about 45 per cent. That would have to be stamped 55 per cent cotton and 45 per cent virgin wool. These samples are simply stamped to show all wool light-weight fabrics. Here are some fabrics of delicate light colors. With a stamp on them it would show through.

Here are some of the plaid back overcoatings that were spoken of. Those fabrics with the plaid backs are made up without any lining, and to put one of these stamps on every yard in the back of that fabric would be very objectionable. No one of you gentlemen having a plaid black overcoat would like to have a stamp put on it.

That is all I have to present, Mr. Chairman.

(Thereupon, at 12.20 p. m., the committee took a recess until 2 p. m.)

AFTER RECESS.

STATEMENT OF MR. FREDERIC S. CLARK—Continued.

The CHAIRMAN. Are the representatives of the American Association of Woolen and Worsted Manufacturers ready to proceed?

Mr. SIMS. Is Mr. Clark through, Mr. Chairman? If so, I should like to ask him a few questions.

The CHAIRMAN. Mr. Clark, Judge Sims would like to ask you a few questions.

Mr. CLARK. Yes, sir.

Mr. SIMS. I believe you concede, or rather contend, that if this bill or a bill similar to the one presented here was to become a law, all woolen goods or virgin woolen goods would be higher than they are now?

Mr. CLARK. I think so.

Mr. SIMS. And that all other woolen goods, what you call reworked, shoddy or mixed, would be lower than they are now?

Mr. CLARK. I think so.

Mr. SIMS. But the cost of the woolen goods, I mean those made of virgin or new wool, which would be supposed to advance in cost,

and then all the other woollens, taking the sum of the cost of both kinds of manufacture, would it not be about equal to what it would be otherwise?

Mr. CLARK. I think that would be a pretty hard question to answer.

Mr. SIMS. In other words, you think that shoddy or reworked or mixed goods, as a class, would not bring as large a sum of money to the manufacturers as they now bring to the manufacturers?

Mr. CLARK. I think not.

Mr. SIMS. And that all other goods, under this bill, would bring to the manufacturers a larger amount than they now do?

Mr. CLARK. I think so.

Mr. SIMS. What I am trying to get at is, either with or without the bill, the public as a whole would neither suffer nor benefit to any appreciable extent?

Mr. CLARK. Well, I think the public would suffer in this way—that they would pay more for their clothing than they are now paying for the reason that they would not buy these fabrics with a certain percentage of shoddy, as they would discard them, and they would lose the benefit that they now get from that class of fabric, and they would pay a larger price for a fabric that met their desires. In that way their clothing would cost them more.

Mr. SIMS. They would be able to get these fabrics at even lower prices?

Mr. CLARK. But my point is that they would not buy them.

Mr. SIMS. Would they do without them? Would they do without the lower-priced clothing?

Mr. CLARK. They would not do without clothing, of course.

Mr. SIMS. I mean woolen clothing.

Mr. CLARK. Naturally, they would not do without clothing. What I mean is that the majority of the people of the country would pay more for their clothing because they would go after these other kinds.

Mr. SIMS. They would only pay more for those that you say would be benefited by the law?

Mr. CLARK. I think so.

Mr. SIMS. And they would pay less for the other?

Mr. CLARK. Yes.

Mr. SIMS. But they could not get all-wool clothing?

Mr. CLARK. That is true.

Mr. SIMS. They would be willing to pay more for the other, you say?

Mr. CLARK. They would be compelled to buy them.

Mr. SIMS. Are they not compelled to buy them now?

Mr. CLARK. I suppose they are, but now they go and pick out a fabric according to what they want to pay for it, depending upon the appearance of the fabric, and so on. We maintain that they would not do that. They would be confused in trying to do that under the operation of this law.

Mr. SIMS. You do not assume that the manufacturers deceive anybody, or try to deceive anybody? These manufacturers are themselves experts as to the materials, as to the goods they buy; but it does seem to me that the general public, the laymen, the unadvised, would be more easily imposed upon, as things are now, than if this bill, or something similar to it, should become a law.

Mr. CLARK. I do not think so. I think that they would get no information at all that would enable them to judge the clothes, because the percentages would mean absolutely nothing.

Mr. SIMS. In other words, you think the manufacturer would get just as much for the manufacture of these reworked goods, shoddy, as he does now. But I am very much afraid that the consumer of the article who buys a single suit, for instance, would be much more easily imposed upon.

Mr. CLARK. I do not agree with you on that, sir. We have tried to show why we do not agree with that standard.

Mr. SIMS. You have agreed that these goods would sell lower.

Mr. CLARK. I think they would.

Mr. SIMS. Then, it would be to the benefit of whoever got them lower.

Mr. CLARK. Whoever bought them would get them lower.

Mr. SIMS. The people who were able to buy wool at these extraordinary prices would not be heard from, but those who are less able to pay the excessive prices would get things lower and yet the manufacturer would not be hurt, because he got everything there was in it.

Mr. CLARK. The tendency on the part of everybody at the present time generally is to get just as good a fabric as he can pay for.

Mr. SIMS. Just as good as he can pay for. Therefore, the people of moderate means who can not possibly pay for these fine virgin-wool garments would have to do without them.

Mr. CLARK. They are paying for them to-day.

Mr. SIMS. Are they paying \$6.60 a yard?

Mr. CLARK. Yes, sir; it is astonishing how many working people at the present time are buying very high-priced fabrics.

Mr. SIMS. The wages of the working classes generally are very high, but do you know of a single wage-earner that is paying \$125 for an overcoat to-day?

Mr. CLARK. No; I do not; but I will tell you a little story if you do not mind my taking the time. In Boston at a hearing before the commission on the necessities of life that was appointed there for the purpose of looking into the prices of various commodities and trying to determine whether or not there was profiteering going on, there was present a representative of a large clothing establishment of Boston, who mentioned about an Italian coming into his place of business, an Italian workman. The Italian bought a suit of clothes for which he paid \$65, an overcoat for which he paid \$75, and two silk shirts that he paid \$18 apiece for. The salesman then thought he had a pretty good customer, and he asked the Italian, "Don't you want to buy some nice neckties to go with those shirts?" and the Italian answered, "Oh, no; me no wear collars and neckties."

Mr. SIMS. I want to ask you this, as you are perhaps as well advised as any body on this subject: Do you think the passage of the French bill would result in increasing the production of wool in this country?

Mr. CLARK. I am inclined to think it would, to some extent.

Mr. SIMS. To about what extent?

Mr. CLARK. I could not possibly tell that.

Mr. SIMS. You could not say by percentage?

Mr. CLARK. No, sir.

Mr. SIMS. If you increase the production of wool, would you not to that extent reduce the price of wool?

Mr. CLARK. Not necessarily, not if the demand for virgin wool were to continue as high as it has been. It would create higher prices.

Mr. SIMS. What is your opinion as to whether we could produce in this country what we need? Do you think we could produce all the wool we need?

Mr. CLARK. Oh, no, no, no.

Mr. SIMS. What effect would this bill, if it became a law, have upon wool growing in this country?

Mr. CLARK. I do not think it would have the effect of producing the entire quantity we need in this country. I think it would have the effect of increasing the domestic production.

Mr. SIMS. There is nothing in it by which you could think that we would grow in this country all the wool this country needs?

Mr. CLARK. I could not say that.

Mr. SIMS. I am asking you if you think that would be the result.

Mr. CLARK. There are some wools that would have to be imported, because of climatic conditions.

Mr. SIMS. I have reference to such wools as we can and do produce in this country. Could we in this country grow all the wool of the kind we do produce here that would be needed in this country?

Mr. CLARK. Why, it is almost impossible for me to answer that. I think the production would be increased. I think Mr. Rainey was right in his testimony the other day. There are other causes which have a bearing in that connection. As he explained it, the production of wool in this country can not be increased by the passage of any law.

Mr. SIMS. You mean the dog law? Do you not think the increase of production of wool in this country would result in decreasing the price?

Mr. CLARK. I think probably there would be a more energetic enforcement of the dog laws.

Mr. SIMS. I think those wage earners who buy \$125 overcoats are largely dog owners, so far as my observation goes.

Mr. CLARK. I will tell you another incident. A friend of mine who is connected with one of the largest concerns manufacturing men's clothing—I will not call it by name, but it has a high reputation all over the country—stated that they were getting \$75 for their suits but that they were not selling to the class of trade that they usually sold to. He said to one of his old customers, "Why haven't we seen you this season to get a suit?" and this old customer said, "I am not going to pay \$75 for a suit of clothes." The clothier said, "We are selling these suits at these prices but we are selling them to the workingmen. They are the ones that are buying them, but the class of trade we sold them to before are not buying them at these prices."

Mr. SIMS. Does that not include the element of ability or inability of the people to know when they are being deceived?

Mr. CLARK. No, I do not think so. I do not think they are deceived now. I think the business on the whole is done on an honest basis, and that the competition in the business absolutely prohibits a manufacturer from getting a better price for goods with shoddy in them than he otherwise would get, that the prices are regulated by

competition and that the buyers are getting value for their money under the existing conditions. I think that under any such bill as the French bill they would know less as to what they are getting and be bothered about it vastly more than they are at present.

Mr. SIMS. Do you not think that, under the present high prices, both for wool and fabrics, a suspended tariff on them until we catch up would be a good thing?

Mr. CLARK. No, sir; I do not, as a manufacturer.

Mr. SIMS. You do not think if you sold all you have got, all you make, to wage earners at \$75 a suit, that a protective tariff could possibly hurt you?

Mr. CLARK. We have not needed a protective tariff during the war.

Mr. SIMS. No; we have not needed a protective tariff during the war.

Mr. CLARK. And the prices are higher now than they were during the war.

Mr. SIMS. The prices are higher now than they were during the war?

Mr. CLARK. Oh, yes; yes, indeed.

Mr. SIMS. Do you need any protection now?

Mr. CLARK. We certainly do. The only reason we do not at the present time is because foreign competitors are not in position to send their goods to this country in any very large competitive amount. France is in no position to do it, Belgium is in no position to do it, and Germany can not get raw materials, she can not finance them, and she is also short of coal; and the only country at the present time that can send goods here in competition is England. She is beginning to increase her exportation to this country to a very remarkable degree. The importations for the year 1919 were not large, they were less than they were in 1918, but the importations during the months of January and February of this year have been very largely increased, and it is because English goods can be sold cheaper in this country than we can make them.

Mr. BARKLEY. Mr. Chairman, I would like to ask a question or two of Mr. Clark.

The CHAIRMAN. Yes; Mr. Barkley.

Mr. BARKLEY. Did you say you were familiar with the provisions of House bill 2855?

Mr. CLARK. Which bill is that, your bill?

Mr. BARKLEY. Yes, sir.

Mr. CLARK. To some extent; yes, sir.

Mr. BARKLEY. Are you sufficiently familiar with the bill to give the committee any notion as to its merits?

Mr. CLARK. Why, we favor most decidedly a bill of that character rather than a bill like the French bill. We think that a bill of that character will accomplish all that is necessary to accomplish and all that is desirable to accomplish. We rather think that certain conditions that are in the Rogers bill, which are taken partly from the British merchandise marks act, would improve the bill, but we believe in the principle of a bill like yours or like Mr. Rogers's.

Mr. BARKLEY. Do you think it is entirely workable?

Mr. CLARK. Yes, sir; yes, indeed.

Mr. BARKLEY. Those are all the questions I have to ask.

MR. CLARK. I would like to make just a short statement. I was telling you about the Government contracts, and I neglected to state that during all the war period the Government in order to see that its specifications were thoroughly and properly carried out, had an inspector in every mill that was making Government Army goods, and that inspector stayed there all the time; he lived there in the mill village, and he was in the mill all day long inspecting the manufacture of goods, so that while the manufacturer did not stamp the goods in any way, the Government was made secure by having this inspector on the premises. The Government paid those inspectors at the rate of from \$1,200 to \$1,500 a year. If goods are to be stamped in such a way as this, I do not know how in the world the Government is going to be sure that they are stamped correctly unless they send these inspectors around to the mills.

MR. WINSLOW. What proportion of the wools, as we speak of them generally, would be considered suitable for clothing, and which are made in this country?

MR. CLARK. You mean as distinguished between clothing, we will say, and blankets and things of that kind?

MR. WINSLOW. Yes.

MR. CLARK. I could not answer that question, Mr. Winslow, but I think in our pamphlet which we left with you we give statistics in the back of it which, if I am not mistaken, will give you these figures—woolen suitings, overcoats, worsted suitings and overcoats, flannels for underwear, blankets, carriage robes, shawls, and so on.

MR. WINSLOW. Upon what page does that appear?

MR. CLARK. Appendix No. 2, on page 20. There are certain statistics there for the total quantity of fibers used.

MR. WINSLOW. Can you offhand name some of the principal lines of goods which are used for clothing purposes?

MR. CLARK. Yes, sir; in worsted goods, worsted serges, and fancy worsteds for men's wear; and for women's wear, such fabrics as tricotines, serges—a lot of trade names that indicate the character of the fabric or weave. In woolen goods we have what they call flannel suitings, cassimeres, thibets, cheviots, silk stripes. For overcoatings there are one kind and another that have special names—chinchillas, meltons, kerseys, and so on. For women's wear we have broadcloths, velours, duvetyns, etc.

MR. WINSLOW. You spoke of worsteds; then you spoke of woolens. Is there any one of those general lines which represents a considerable proportion of all the woolen clothes made?

MR. CLARK. Yes, sir; worsteds.

MR. WINSLOW. What is the difference between worsted and any other wool?

MR. CLARK. It is in the method of construction and the wool that is in it. It is made of entirely long staple wool. The process is to comb that wool in order to get the long fibers and to eliminate the short fibers, which are called noils. Then the top, which is the long staple and which comes from the comb, is put through a variety of operations, which are continually drawing, drawing, drawing, and blending and blending and blending, until they get down to the spinning operations for the yarn, and all this while the fibers parallel each other.

MR. WINSLOW. Is that virgin wool?

MR. CLARK. Yes, sir.

Mr. WINSLOW. Do you mean to say that the worsted is all virgin wool?

Mr. CLARK. Yes, sir; the bulk of the worsteds in the country are made of all virgin wool, three-fourths of all the goods made, which can not have any shoddy in them.

Mr. WINSLOW. You say that three-fourths of all the woollens that are made are worsteds and that they are made of virgin wool?

Mr. CLARK. Yes, sir.

Mr. WINSLOW. That means that three-fourths at least of the clothes that we get is all virgin wool; then we do not have to worry about that.

Mr. CLARK. Yes, sir; I may have stated it a trifle high, but it is a good deal more than a half.

Mr. WINSLOW. So that the opportunity to be deceived, or the chance of anybody being deceived, would come on the balance of the woollens which are made up in one form or another?

Mr. CLARK. Yes, sir.

Mr. WINSLOW. What part of the balance would you say was made up of all virgin wool?

Mr. CLARK. Oh, it is rather hard to tell that, but possibly one-half.

Mr. WINSLOW. One-half of the balance?

Mr. CLARK. Yes.

Mr. WINSLOW. So that if we have 60 per cent of all the wool cloths made of worsted there would be 40 per cent more to account for?

Mr. CLARK. Yes, sir; square yards. Here is a statement, and we give a very similar statement in the brief which we have left with you. For instance, here the production according to the census of 1914, woollen—that is, carded woollen—all wool, was eighty-five million and some odd square yards.

Mr. WINSLOW. You mean virgin wool?

Mr. CLARK. No, sir; not all; there is the possibility of using shoddy, but to just what extent we do not know. Now, against that, of all worsted goods in which shoddy would not be used 237,000,000 square yards. Then, with cotton-warp goods, with woollen filling, carded woollen filling, there are about 103,000,000 square yards; and in the filling of those goods it would be possible to use shoddy. Then cotton warp, with worsted filling, in which there would be no shoddy used in the filling, there would be 93,000,000 square yards. Then there is made with a blend of cotton and wool and by a carded woollen process in which shoddy can be used, 40,000,000 square yards. There is a very small product of worsted of that character put down here, 6,000,000 square yards that possibly would have a little shoddy in it.

Mr. WINSLOW. Then 45 or 50 per cent would be nearer right than 75 per cent of all worsted made of all virgin wool?

Mr. CLARK. This that I have read off would amount to about 60 per cent—

Mr. WINSLOW (interposing). So that we, in considering the dangers in misrepresentation, would have to consider 40 per cent of the woollens that are made for clothing.

Mr. CLARK. Not more than that.

Mr. SANFORD. The percentage where shoddy counts is only in fabric that is sold as all-wool fabric. Where shoddy is used with cotton in fabric as a manipulated fabric it is out of the all-wool class, anyway.

Mr. WINSLOW. The minute you use cotton it comes out of the all-wool class and goes into a separate class. It would not be considered as in the wool class.

Mr. SANFORD. No; it is outside of the wool class. There could be no deception in regard to it in the market.

Mr. WINSLOW. Is it used for clothing?

Mr. SANFORD. It is used for clothing, but it is clearly understood what it is.

Mr. WINSLOW. I know; but under this bill they would have to be marked.

Mr. SANFORD. I am talking about the practice in the market.

Mr. WINSLOW. My point is this: We are to protect the consumer. We must cover every kind of cloth.

Mr. SANFORD. I believe the consumer knows that; and there is no way he can be deceived.

Mr. CLARK. You are right; that those goods would have to be stamped under this bill.

Mr. WINSLOW. One or two more questions: Is it fair to assume that about 40 per cent of the woollens which go into women's and men's clothing would represent other than virgin wool—all kinds?

Mr. SANFORD. Yes, sir; I should say so.

Mr. CLARK. Some of that 40 per cent is not sold on the market as all-wool goods, and our friends who are proposing the French bill are objecting to the sale of goods with shoddy in them as all-wool goods. These goods, as Mr. Sanford has explained, are not sold as all-wool goods on the market, anyway.

Mr. WINSLOW. But they are used for the same purpose?

Mr. CLARK. Yes; for clothing; yes, sir.

Mr. WINSLOW. Would it be your mind that if this bill that was submitted to us was to pass that that cotton line of goods would be outside of it?

Mr. CLARK. Naturally, the bill says that any fabric that has wool in it has got to be stamped. If there is any wool at all in it it has got to be stamped. Those goods would have to be stamped according to what their material content was. Any fabric, with wool in it, has got to be stamped under this bill.

Mr. WINSLOW. Well, 60 per cent of all the clothes that have wool in them are worsted—anybody might know that they are made of virgin wool only.

Mr. CLARK. Yes, sir; they ought to know it.

Mr. WINSLOW. With such a law in existence, would the manufacturer need to brand his goods at all—with the British merchandise marks act?

Mr. CLARK. He would not need to brand them in any way. If he misrepresents them he is subject to penalty.

Mr. WINSLOW. I understood you to say that the presence of shoddy or any reworked wool would prevent or diminish sales of such materials to the public to some extent?

Mr. CLARK. I think so.

Mr. WINSLOW. Well, now, is not the sale, then, of such materials as all-woolen an imposition upon the public?

Mr. CLARK. Not at all, because it is all wool.

Mr. WINSLOW. To my mind, there would seem to be some imposition upon the public.

Mr. CLARK. No; I think we tried to show, and our brief says, that there is a prejudice in the public mind upon these matters, and if you undertake to put the material content upon every yard of fabric it simply appeals to that prejudice and misleads the buyer.

Mr. WINSLOW. Well, prejudice is generally based upon the information furnished, or the lack of it.

Mr. CLARK. The lack of information.

Mr. WINSLOW. Then, furnishing information would remove that prejudice. Those samples that were exhibited here this morning, I suppose they are samples of goods made for the trade, such goods as is provided for the trade, and that they were not simply for illustration in this hearing.

Mr. CLARK. Most of them are fabrics for sale.

Mr. SIMS. Most of them—then, some of them were just simply prepared for this hearing?

Mr. CLARK. One or two of them were prepared for this hearing to show what would be possible under such a bill as this.

Mr. SIMS. Now, take samples Nos. 4, 5, and 6, of cloth, those are nearly all used in carpets, rugs, and things of that kind.

Mr. CLARK. I do not think we had samples marked 4, 5, and 6. You mean wool samples?

Mr. SIMS. Wool.

Mr. CLARK. You mean fiber samples?

Mr. SIMS. They were very coarse, rough-feeling goods.

Mr. CLARK. No, sir; there is not a single one of them that would be used in carpets. Carpet wool is of an entirely different character. That would be used in clothing.

Mr. SIMS. Clothing?

Mr. CLARK. Yes, sir.

Mr. SIMS. Now, Mr. Clark, I live in the South. The crop in our section of the country is for cotton. I got the idea from you this morning that this bill, or one like it, that would disclose the amount of cotton that was being carried in so-called woolen fabrics would reduce the demand for cotton for such purposes.

Mr. CLARK. Yes, sir; I think it would, because there is a prejudice against the use of cotton in clothing fabrics.

Mr. SIMS. But there is no prejudice against cotton when sold as cotton fabrics?

Mr. CLARK. Oh, no, sir.

Mr. SIMS. But there is a prejudice against selling cotton for wool, when a purchaser believes he is getting wool when in fact he is getting cotton.

Mr. CLARK. Well, any fabric with cotton in it now is not sold as an all-wool fabric; it never is. It is a perfectly easy matter to tell whether there is cotton in the fabric or not. You can not tell whether there is shoddy in it.

Mr. SIMS. How would it reduce the demand for cotton if it is well known?

Mr. CLARK. Well, because people have a prejudice against cotton being used in woolens, and the name given to it sometimes is "bush wool."

Mr. SIMS. I understood you to say that the presence of cotton in the fabric could easily be detected.

Mr. CLARK. When I said that it could easily be detected, I meant that it is easily detected by the buyer of goods when they submit the goods to a test. Sometimes it can be distinguished by feeling it, or by the appearance of the fabric, by anybody that is familiar with it; but there is a chemical test that can be applied that can determine exactly the amount of cotton.

Mr. SIMS. Well, the layman is not prepared to make such a test. And he may not be able to determine by feeling it. Therefore, he is imposed upon in thinking he is buying wool when he is buying cotton.

Mr. CLARK. No, sir; I do not think so. Wool fabrics with cotton in them are never sold as all-wool fabrics. They are sold as mixed cotton fabrics.

Mr. DEWALT. As long as the prejudice remains, of course, they will not buy it, as a rule. I think that is the point in your statement.

Mr. CLARK. That is the idea.

Mr. DEWALT. And the prejudice may be ill founded or well founded, but as long as it remains there they will not buy it.

Mr. CLARK. That is the idea.

Mr. BARKLEY. I thought you said that as long as they have some cotton in them they are not sold as all-wool goods.

Mr. BARKLEY. Of course, those who buy from the manufacturer know that, but a man who goes into the store for a suit of clothes may not be able to tell whether there is any cotton in it or not, and he does not know, as a rule.

Mr. CLARK. Not unless the seller of the goods lets him know.

Mr. BARKLEY. The ordinary man can not tell anything about the quantity of wool in fabrics.

Mr. CLARK. Of course, those with cotton in them are sold at considerably lower prices.

Mr. BARKLEY. Is the price of a mixture containing cotton lower on the average than all-wool fabrics containing part shoddy?

Mr. CLARK. I should say so.

The CHAIRMAN. Are there any further questions?

(There being no further questions the witness was excused.)

STATEMENT OF MR. ALFRED A. WHITMAN, CHAIRMAN OF THE COMMITTEE ON LABELING LEGISLATION OF THE AMERICAN ASSOCIATION OF WOOLEN AND WORSTED MANUFACTURERS.

The CHAIRMAN. Mr. Whitman, please state your full name and address to the reporter.

Mr. WHITMAN. Alfred A. Whitman, chairman of the committee on labeling legislation of the American Association of Woollen and Worsted Manufacturers, 25 Madison Avenue, New York. Mr. Chairman and gentlemen of the committee, the legislation which this conference is called to consider falls naturally into two classes. One proposed method of reaching the desired result is by compulsory marking of all fabrics containing wool, so as to show the nature of the raw

material from which it is made. The second plan does not require the seller to mark or otherwise describe his goods but imposes heavy penalties for any misstatement he may make regarding them in the nature of trade description or otherwise. As the French bill is typical of the first idea, this discussion will be confined more directly to that bill, while applying, of course, to that plan in general. Owing to the vast variety of cloths which have been developed by years of ingenious devotion to this complicated industry, it is utterly impossible to form any idea whatsoever of the quality or even of the appearance of the goods from a statement of the raw material entering into them.

Wool and cotton, the chief materials used in textiles, if used separately or in combination, may be made up into high-grade, heavy or light, serviceable or flimsy goods, according to the quality of stock, method of construction and skill in manufacture, all of which details are governed by the result which it is desired to obtain. A light summer fabric with no quality of wear or durability may require the finest grades of fiber and the highest skill in manufacture, while a cloth made of coarse wool with a large percentage of noils or shoddy may wear almost indefinitely. Cotton is used in combination with wool for a great variety of reasons. Most of them have to do with the particular use to which the cloth is to be put. A shirting made with good cotton warp and Australian wool filling will have great strength and durability combined with warmth and a soft feel. It has frequently been told how the Canadian soldiers gladly seized any opportunity to discard their all-wool shirts for the soft cotton and wool shirts of our Army. Cotton is also useful in combination with wool in the yarn for many kinds of woven and knitted fabrics sometimes to produce stronger cloths at low prices or for many other purposes. In this form the combination is known as unions, which have their definite place in society. For many purposes, however, the combination of cotton and wool are not satisfactory. They do not take dye evenly; they shrink differently; they are naturally not as warm as all wool would be, and so forth, and as the presence of cotton is not always easily detected by the consumer, the term "all wool" has come to be used throughout the trade and to be universally understood by the laymen to indicate absence of cotton or other vegetable fiber.

The recent effort to read into this standard trade term "all wool" some reference to shoddy or reworked wool can not be too strongly condemned. "All wool" has always meant animal fiber in contradistinction to vegetable fiber, and the attempt to mislead the public in this and other ways into the belief that wool has changed its nature by being spun or woven and afterwards reclaimed for further usefulness is very questionable business. Silk is used in wool goods chiefly as decoration and has little effect, as a rule, upon the strength or warmth of the fabric.

It is perfectly evident from the comments which have appeared in the press, and particularly from the statements made by the chief advocates of the so-called truth in fabrics law, that there is a very widespread misunderstanding of the fundamental facts of cloth weaving and a surprisingly general ignorance of many of the simplest details of that trade.

I might say that the remarks of Mr. Bonyng in reply to Mr. Winslow at the last hearing illustrated this very plainly. I think he practically voiced the general thought that shoddy may make its appearance in all woolen goods. His statement that only the very rich man could probably purchase an all-wool or virgin-wool suit to-day is possibly a pretty general feeling, whereas it has just been stated that 60 per cent of the woolen clothes made in the country are worsteds and can not by any possibility contain shoddy, while of the balance of 40 per cent probably fully half contain no shoddy and are not made with shoddy.

Mr. BARKLEY. Would you mind explaining to me the difference between woolen and worsted?

Mr. WHITMAN. The two classes are woolen goods and worsted goods. Worsted yarn is made by a very different process from that by which woolen yarn is made. Worsted yarn is combed in such a way as to lay the fibers all parallel and they go through repeated processes, all tending to this end, each process combing out more and more the immature, short, and dead fibers known as noils.

Mr. BARKLEY. So it is a difference in the manufacture and not a difference in the raw material?

Mr. WHITMAN. Not at all, except that they can only use the long-staple fiber in worsted clothes, all the rest of it being combed out, and that combing, as a rule, goes into the manufacture of woolens.

Mr. SIMS. Would you say that it is impossible to use shoddy in worsted?

Mr. WHITMAN. Yes, sir; it is impossible. Now, then, to continue with my remarks where I left off.

Curious as this may seem, it is no doubt easily accounted for by the fact that the textile industry, while a very old one, is highly technical, and the general consuming public has had little interest to inquire into its intricacies. The manufacturer, on the other hand, content in his own familiarity with all the little terms and technicalities, is very apt to assume a like acquaintance with these details of his trade on the part of the layman and to use terms and words in discussing his work which, if they convey a meaning at all, are likely to be misunderstood in some popular sense which they have assumed quite unwittingly.

The very word around which so much of the present agitation centers is perhaps the best illustration of this. "Shoddy" as the word is used in popular language is a term of reproach, this definition having been fastened upon it at the time of the Civil War, when unscrupulous war profiteers palmed off upon the Government for the use of our soldiers, cloths of very poor quality, poorly made and of low grade fibers both of virgin wool or mill waste and of recovered wool or shoddy. To the mill man, however, shoddy takes its place as one of the very important raw materials available, according to its grading of fine or coarse, strong or weak, soft or harsh, and so on, for working into cloth in order to produce some desired result of finish, strength, warmth, cost, etc., in just the same way that the various grades of virgin wool are used to produce the results for which they are available. To the manufacturer or merchant such statements as these seem elementary in the extreme, but unless these terms are clearly understood it is evident that manufacturer and

laymen are apt to discover that they are speaking different languages, and misunderstandings are inevitable.

The proposed bill undoubtedly makes its appeal for support on the claim by its authors that shoddy, an inferior thing to virgin wool, is used at all times by manufacturers of wool textiles as a substitute for virgin wool in order to cheapen its cost while enabling him to deceive his customer into the belief that the fabric is made entirely of new wool, and so fraudulently obtain a higher price for it than the customer would pay if he knew that it contained shoddy.

In making this play for popular support of their bill, the National Sheep and Wool Bureau have undoubtedly very cleverly counted on the ignorance of the public, and to strengthen this support have not hesitated to still further fasten on the public's mind this fallacy, that because of its virginity wool is necessarily good and cloth made from it is good, and because the fiber has been previously spun or woven, cloth in which it is used is necessarily of low quality. To at once see how false this statement is it is only necessary to know the barest facts about new wool. Certainly any one who knows anything about the subject knows that various breeds of sheep yield wool varying in quality to extremes of fineness, strength, length of staple, etc., and even from individual sheep, wool is obtained running all the way from the best fibers taken from the sides and shoulders to the poorer qualities from belly, throat, and head, and even the short coarse product of the legs and the knotted and dung-filled tags, known as locks. All these qualities are virgin wool under the French bill and every grade retains its specific quality characteristic when it is spun and woven into cloth. The greatest skill and ingenuity have been brought to the problem of recovering these fibers from the woven and knitted fabrics, and except for the fact that they are broken into short lengths and, if the cloth has been subjected to wear, have lost some of their strength, they still have the same characteristic of fineness that they originally had.

The two main divisions of the wool textile industry are worsteds and woolens. In worsted cloth which as stated constitutes by far the largest part of the square yardage of this country, only long staple wool can be used, the immature, short and broken fibers being combed out. This so-called comb waste is known as noils, and contains all the dirt, dung, burrs and other vegetable matter which have clung to the wool and must be cleaned by carbonizing or other process in the same way that recovered wool must be cleaned and purified, and though they are virgin wool as defined by the French bill, they serve much the same purpose in the woolen industry that shoddy does. If the knowledge that a cloth contains shoddy will be of any value to the purchaser of a garment, the information as to whether it contains noils will be equally valuable. It must now be clear that in order to judge of the value of a piece of cloth the mere statement as to whether it is 100 per cent virgin wool or contains more or less shoddy is not the slightest guide.

The object of the French bill as stated in its title and by the arguments of its backers is to prevent fraud, this fraud being described minutely and with verbose reiteration to be the manufacture of shoddy into wool cloth and the sale of such cloth without stating that it contains shoddy, and thus obtaining for it the same price that it should bring if it contained no shoddy. This claim must

be met by the statement that it is utterly false in its implication and suggestion. It can not be denied and no one will attempt to deny that dishonest merchants may offer inferior cloths for unwarranted prices. A tailor of so-called popular priced clothes may make up from cheap and unworthy cloth suits of snappy and stylish appearance, making them look by fine tailoring and workmanship, like the proverbial million dollars.

Exactly the same thing is possible for the tailor whether the cloth is 100 per cent virgin wool or contains 60 per cent of shoddy and not because of the presence or not of shoddy but because he has bought cheap cloth to begin with. It is not the shoddy necessarily that has made the cloth cheap but because it is made of poor fiber, whether virgin or not, and is poorly woven and badly constructed. The manufacturer may be and in fact is in practically every case blameless of the slightest part in the fraud or deception. Certain manufacturers make a specialty of low grade cloths and in many cases enjoy enviable reputations for their ability to turn out good fabrics to meet the demand for low-priced clothing. In these cloths he uses both virgin wool and shoddy in such proportions as he needs to secure the desired result of finish, strength, warmth, and so forth, but if anyone believes that under present day conditions of marketing he can obtain from the clothing manufacturer any more than the intrinsic value of the material he is completely mistaken. Methods of inspection and the ability of the buyers of the manufacturing tailors are such as to adequately protect him from being fooled as to quality and as quality means strength, appearance, serviceability, warmth, and so on, he examines for these points and expects to get just what he is willing to pay for. I have not been able to find any statistics showing the yardage of wool cloth sold in this country direct to the consumer but the best estimates seem to show that certainly not more than 10 per cent of the production is sold at retail including that sold through custom tailors, 90 per cent being bought by the manufacturers of garments whose trained buyers can readily detect the presence of cotton or vegetable fiber.

The mother who buys a pair of pants for her boy for \$2 and discovers in a month that they are worn out has not necessarily been cheated. If the merchant told her they were fine wool and worth \$5 he has certainly lied to her, but she has got her money's worth just the same. If he has sold her the trousers for \$5 while they were worth but \$2, he has swindled her, but he could certainly persuade her more easily to pay the higher price if the trousers bore the label 100 per cent virgin wool than he could if they were marked 60 per cent shoddy, while they might just as easily be made of one as of the other. If they bore no label, the woman would use what judgment she had to gauge the quality of the cloth and without tempting and misleading sign would judge more correctly. The intimation that manufacturers of woollen textiles use shoddy as a substitute for virgin wool in order to produce a cloth of low value which may be sold to the public at a price above its real worth is as absurd as it is false. Shoddy is used in most cases because by its use it is possible to produce a cloth of a required grade which may be sold and actually is sold at a lower price than a cloth of equal grade could be sold for if made of all new wool. In other cases shoddy is used because only in this way can a desired result be obtained regardless of the

expense. A sample of cloth is shown taken from this season's line, manufactured by the Pontoosuc Woolen Manufacturing Co., of Pittsfield, Mass., made of virgin wool and shoddy, the shoddy costing considerably more than the new wool. If it were possible to produce this cloth at the present price, which is one of the popular numbers shown by this mill, by using all new wool it would undoubtedly be done and at a considerable saving to the mill. Mr. Francis, the president of this mill, is here and can vouch for this statement.

In the report of the Tariff Board of 1912, page 69, they say, "Shoddy is not necessarily the cheap undesirable material which many take it to be. It is not customary to use shoddy alone, but blended with wool, wastes, or noils it makes a fabric which is both serviceable and cheap." And on page 72: "The mills of the United States used in 1909, 64,561,713 pounds of rags and tailors' clippings and produced 48,375,724 pounds of shoddy valued at \$5,699,260. In addition to the shoddy made in shoddy mills, the carded woolen mills in 1909 made 31,021,323 pounds of shoddy for their own use. It appears from this that shoddy, or, more properly, reclaimed wool, is a very important material in cloth production in the United States."

If the French bill prevails and the unwarranted stigma is placed on shoddy the purchaser will, by his ignorant prejudice, be led to pay a higher price for a cloth not so good, or to choose a cloth of less worth for the same price. It is no argument to say that the consumer will become educated to the value of shoddy and will learn to select it with proper regard for its value. In spite of the widespread knowledge we have to-day as to the merits of oleomargarine, it is doubtful whether a rush of guests could be secured by a hotel advertising that oleomargarine is used in its kitchen. It would probably not prove good advertising for a restaurant to announce that it serves only beet sugar to its patrons, even though they may know that sugar from the beet and sugar from the cane are identical in every respect.

There is one phase of the carrying out of this law that seems to us to present very great difficulties, and that is the enforcement of the proper stamping of foreign goods. While it is a very simple matter to determine the percentage of cotton or silk in a given fabric, it is not possible to determine by analysis or otherwise the presence of shoddy. As there can be no way of inspecting the processes used in the production of these foreign goods, there is a possibility of the actual contents of the fabric differing very materially from the marking attached, and even in a case where obviously the goods are not as marked, still the deception could not be proven. It is significant that this bill makes its appeal for support on the presumption that it will prevent deceit, profiteering, and so on, no mention being made in the preamble or in the bill itself of the intention and expectation of its authors and chief backers, the National Sheep and Wool Bureau of Chicago, as admitted by the president of the organization, Mr. Alexander Walker, that the legislation will benefit the sheep-raising industry by raising the price of wool. The desirability of any legislation particularly at this time which is deliberately intended to raise the price of such a commodity as wool may well be debated.

We have discussed chiefly the utter futility of attempting to protect the buyer in his judgment of the value of cloth by disclosing the presence or not of shoddy. That the bill was drawn by the National Sheep and Wool Bureau of Chicago in the hope and expectation that it would benefit the sheep growers by raising the price of wool has also been pointed out.

In conclusion, we wish to point out that this whole subject is one in which the consumer is more vitally interested than the manufacturer can possibly be. Worsted cloth, which comprises about 60 per cent of the square yardage of the United States, can not possibly contain shoddy. There is thus only 40 per cent of the wool cloth made that can contain shoddy, including cotton warp goods and unions which are not sold as all wool, and of this a very considerable percentage is made exclusively of new wool. This would leave a very small proportion of the entire production which would be directly affected, and the manufacturers of these goods would quickly turn their machinery onto new wool, if it should be found to pay them better. They can thus be considered as practically uninterested. My own firm makes nothing but worsted goods in any of its mills, and does not buy a pound of shoddy. We will, of course, be put to the expense of marking, which will, no doubt, be considerable, but as the means of doing it on the scale required have not yet been devised, it is impossible to estimate what that cost will be. It will, however, naturally be added to the cost of the goods and passed on to the consumer in the selling price. The entire burden will fall upon the ultimate consumer, and in exchange he will get a misleading, and, in any event, a perfectly useless piece of information. The label "shoddy" will certainly induce buyers to give preference to virgin wool, which will open the door wide to fraud in offering low-grade virgin wool at excessive prices. We are not opposed to labeling legislation in principle, but the labels must be made to tell the truth in fabrics, or they are worse than useless.

Mr. DEWALT. These are your samples?

Mr. WHITMAN. Yes, sir.

Mr. DEWALT. You do not claim that 60 per cent of the wool that is manufactured in the United States goes to worsteds?

Mr. WHITMAN. Sixty per cent of the yardage that is manufactured in the United States goes to worsteds.

Mr. DEWALT. What percentage of that wool is used for all purposes, all fabric purposes?

Mr. WHITMAN. I have not worked that out. It is found in the census. You have a copy of it here.

Mr. DEWALT. That statement that 60 per cent of the yardage goes to worsteds would indicate that 60 per cent of the wool used for fabric purposes in this country was used for worsteds, when I supposed that the percentage was really very small.

Mr. WHITMAN. Shoddy is used, a very great proportion of it, in the heavier weight goods, such as meltons, and things of that sort.

Mr. DEWALT. You say that 60 per cent of the actually manufactured products are worsteds?

Mr. WHITMAN. Yes, sir; of the square yardage.

Mr. DEWALT. And that there is no shoddy in that at all?

Mr. WHITMAN. There is no shoddy in that at all. Worsteds contain nothing but virgin wool. Worsteds are known everywhere to be that particular class of textiles and can not contain anything but virgin wool.

Mr. BARKLEY. What percentage of the other 40 per cent is all virgin wool?

Mr. WHITMAN. It is difficult to state just exactly. I have looked into it and the best conclusion I have been able to arrive at is that at least 50 per cent of that woolen yardage is virgin wool.

Mr. SIMS. So that would be 80 per cent of the total?

Mr. WHITMAN. Yes.

Mr. SIMS. Virgin wool?

Mr. WHITMAN. Yes. That means that the 85,000,000 pounds of shoddy would be used in the other 20 per cent.

Mr. SIMS. Your industry is altogether worsted?

Mr. WHITMAN. Altogether a worsted firm; yes, sir.

Mr. SIMS. And worsted is made altogether from virgin wool?

Mr. WHITMAN. Yes, sir.

Mr. SIMS. Therefore, your firm has no interest whatever in what shoddy may go into?

Mr. WHITMAN. No, only what affects the market as a whole.

Mr. SIMS. Would not the passage of the French bill, according to the arguments that have been made here, increase the price of worsteds?

Mr. WHITMAN. I do not think it would affect us one way or another. Everyone knows to-day our goods are virgin wool.

Mr. SIMS. Then 60 per cent of the yardage of woolen goods would not be affected, that is, either by increasing or decreasing the price, if the French bill were to pass?

Mr. WHITMAN. Well, you take the general demand for virgin wool made for the manufacturers, the sellers would add something to their price.

Mr. SIMS. In other words, the more popular virgin wool becomes the more your manufacturers would be benefited, is not that correct?

Mr. WHITMAN. Yes, sir.

Mr. SIMS. You are here, of course, in the interest of your particular line of business?

Mr. WHITMAN. I am here as an American citizen.

Mr. WINSLOW. You are here in connection with this matter of marking the cloth, marking every yard of cloth?

Mr. WHITMAN. That, as I have tried to point out, is not of any direct interest to us. That would be a part of the manufacture of our goods; it would be a part of the cost and our profit would be added to it, and the consumer would pay it. Every one knows we sell worsted goods. Every one in the trade with whom we are interested knows that worsted goods are virgin wool.

Mr. WINSLOW. In the interest of the public, under this bill, you would have to mark every yard of cloth?

Mr. WHITMAN. Yes, sir.

Mr. WINSLOW. The public will not save any money in buying your cloth if you have to mark every yard of cloth?

Mr. WHITMAN. Not if the retailer sees some way of getting some higher prices.

Mr. WINSLOW. The more you put into your cloth the more you hope to get out of it in the way of expense?

Mr. WHITMAN. Yes, sir.

Mr. WINSLOW. So that the public would not be the beneficiary of any reduction in the cost of your goods, but, on the other hand, they would be expected to pay more—

Mr. WHITMAN (interposing). Yes; certainly.

Mr. SIMS. Would the labeling of a fabric "all wool," if made entirely of all-wool shoddy, be misbranding, as you understand it, under the Rogers or the Barkley bills?

Mr. WHITMAN. No, sir; "all wool" means exactly what it says.

Mr. SIMS. Regardless of the kind of wool?

Mr. WHITMAN. Yes, sir.

Mr. SIMS. Now, then, your whole interest is to see that the people who are getting shoddy may continue to get it just as they do now?

Mr. WHITMAN. Certainly.

Mr. SIMS. Without knowing what is in it.

Mr. WHITMAN. My contention is that the contents of a piece of cloth, shoddy or not, has no direct result in the final quality of the cloth. The mere fact that it is shoddy or virgin wool is not the point, as you can make a high grade or a low grade of either. I believe that without marking the purchaser would be able to judge the value of the cloth, and he would be able to judge whether he is getting a dollar's worth for a dollar.

Mr. WINSLOW. Does the word "shoddy" or "reworked wool," as it is called, mean a bad or inferior quality?

Mr. WHITMAN. The word "shoddy," as I understand it, came originally from the word "shed"—to shed off—and meant the small fibers, dust, and all that sort of thing. Later on the short fibers and low-grade wool recovered from the woven textiles took the same name. The waste from the mill and the short fibers were recovered wool. My understanding is that that was a trade name before the Civil War, but during the Civil War the palming off of those goods on the Army here led to the present designation of that word "shoddy," meaning worthless, or whatever it may be.

Mr. WINSLOW. It was a term denoting bad reputation?

Mr. WHITMAN. That is it.

Mr. WINSLOW. The word "shoddy" would never be put in the brand at all. In these samples this morning it was stated there was 10 per cent cotton, or whatever percentage it was; 40 per cent new wool, or whatever it might be, and so on, simply showing what they were made of. You do not give it a bad name unless the fact itself is liable to make the impression that it is not as good as it otherwise might be thought to be.

Mr. WHITMAN. My impression is that the words "reworked wool" might better be used than the word "shoddy." It would be a considerable improvement right there. But it nevertheless does not change the fact, because these reworked wools, or all virgin wool, are no better or no worse from that fact. You have to know a hundred other things about it. You have to know the construction of the cloth, whether it is fine or coarse, whether it has strength or no strength. It can be fine either in virgin wool or shoddy. In addition to that you have to know whether the cloth is made of one construction, whether loosely woven or finely woven.

Mr. WINSLOW. Why should not the people be entitled to know the facts in the simplest way? If I am buying half cotton for wool, why not know it? And if I am buying virgin wool for reworked wool, why not know the facts?

Mr. WHITMAN. For myself, I see no reason why you should not know it, if you want to know it, but I maintain that if you know it you have not learned anything. Of course, you will agree with me that a little knowledge is a dangerous thing.

Mr. SIMS. And none are so blind as those who can see and will not see.

Mr. WHITMAN. Then they judge on the merits of the cloth itself, is not that what they want?

Mr. SIMS. They want to know what it is made of.

Mr. WHITMAN. The name of the fiber, or whether it has been used before, is something that has no bearing on the quality of the cloth. You can make it into high-grade or low-grade cloth.

Mr. COOPER. I want to ask a question. I am not speaking for the rest of the committee, but this hearing is very interesting to me. I do not know anything about fabrics, but the hearing is very interesting to me nevertheless. There has been presented to this committee this morning a piece of fabric that contained shoddy and another exhibit of a fabric that contained all virgin wool, and it has been stated that the piece of fabric that contained shoddy was far better material than that made out of virgin wool. Now, I do not know whether the opponents of the French bill will refute that or not. They will have their day in court a little later on, but, so far, I am ready to accept the statement of the gentleman who presented that exhibit. Now, then, if a customer goes into a store to buy a suit of clothes, and is shown a suit that is marked virgin wool, and another suit that is marked shoddy, and the customer buys the suit that is marked virgin wool, I take it that he is going to be the loser. He has not bought the best suit. I do not know what the other side may say when they come to present their case.

Mr. WHITMAN. I will leave it to you.

Mr. COOPER. If the statement made by the gentleman who presented these exhibits is correct I think the man buying the virgin-wool suit is the loser.

Mr. DEWALT. Let me ask you this question merely to determine in my own mind if I correctly understand your argument: I understand you to say that by reason of the fact that there are so many grades of virgin wool differing in character and in kind, and so many different grades of wool, reworked wool and these other kinds, and so many different processes of manufacture, each different in skill, and so on, these different elements being in the proposition, the French bill would not do any good?

Mr. WHITMAN. I think that is correctly stated. It would do no good in informing the public of the value of the cloth.

Mr. DEWALT. None of these matters that I have mentioned, to-wit, the difference in the grades of the virgin wool, the difference in the grades of the wool that is made over, and the difference in the processes of manufacture, are covered in the provisions of the French bill?

Mr. WHITMAN. They are not.

Mr. SANDERS. Your idea is that if this French bill were to pass and the goods were labeled as the bill would require them to be labeled that the ultimate purchaser would assume that that was a standard by which he could test whether those goods were of excellent value or of poor value, and that that not being the full standard, but merely being one element of the standard, he would hence govern his action by a false standard?

Mr. WHITMAN. Precisely.

Mr. SANDERS. In that case a little information might be worse than if he had known.

Mr. WHITMAN. A very dangerous thing.

Mr. SANDERS. What is the total yardage of American-made woolen goods?

Mr. WHITMAN. Altogether, wool and worsted?

Mr. SANDERS. Yes.

Mr. WHITMAN. About 620,000,000 yards.

Mr. SANDERS. How much of it is consumed?

Mr. WHITMAN. I presume all of it is consumed.

Mr. SANDERS. Not that. I mean the total consumption of woolen goods, whether they come from abroad or whether they are made here.

Mr. WHITMAN. Oh, I have not the figures covering the importation.

Mr. SANDERS. Have you roughly a knowledge of what the quantity of imported goods is?

Mr. WHITMAN. No; I have not, but not over 5 per cent of the domestic manufacture, the quantity manufactured here.

Mr. SANDERS. So that the quantity of consumption of foreign products is not very great?

Mr. WHITMAN. Foreign manufacture?

Mr. SANDERS. Of foreign manufacture.

Mr. WHITMAN. Not according to that statement.

Mr. SANDERS. As a rule, is the foreign manufactured product of a fine character?

Mr. WHITMAN. I think in a general way it might be stated that the imported goods are all high-grade goods.

Mr. SANDERS. Take the best high-grade English goods, do we make in this country goods as good?

Mr. WHITMAN. I think we do.

Mr. SANDERS. Are they so generally recognized by the best American tailors when they recommend goods to their customers?

Mr. WHITMAN. They are bought on their merits; although there a certain prejudice may also be used, when he offers you a suit of imported clothes which perhaps are not as good, the cloth is not as good, but he will get his high price because of ignorance on the part of the purchaser.

Mr. SANDERS. Then, we have no way of telling in competing with foreign manufacturers, but you can say, "Your goods shall not be admitted unless you mark them so and so."

Mr. WHITMAN. The difficulty there is, while we may impose that upon all imported goods—the burden being laid on shoddy, of course, because the other you can easily enough distinguish—there is no way of telling by chemical analysis or otherwise whether there is wool in that that has been used before or not. There is no microscopic way of telling it. So that you may get into this country goods marked "virgin wool" which are really very low-grade shoddy.

In this country we can it by inspections of the raw materials at the factory.

Mr. SANDERS. Would that not apply to goods of American manufacture?

Mr. WHITMAN. Well, here we have the advantage of knowing exactly what they are putting into it.

Mr. SANDERS. Presumably there is no way of telling by looking at it.

Mr. JONES. You have here six or seven exhibits of various grades of virgin wool running in value from 5 cents a pound to \$2.40 a pound. Now, there are two pieces of fabric, one containing 80 per cent wool, one containing 5 per cent, and another fabric 80 per cent, and some percentage of the highest grade virgin wool. Under the French bill it can be marked the same, so far as the content of the virgin wool is concerned?

Mr. WHITMAN. Exactly.

Mr. JONES. Now, if a purchaser should buy a garment containing 5 per cent of virgin wool he would be deceived by the marking?

Mr. WHITMAN. Yes, sir.

Mr. JONES. And it would cause deception rather than knowledge? It would be a misbranding as to him?

Mr. WHITMAN. Precisely. That is my contention.

Mr. MONTAGUE. You were asked the question whether we could not make as good goods here as they do abroad, and you said that we could. Now, I want to ask you why we can not raise in this country this wool that would bring \$2.80 a pound, like they do in Australia?

Mr. WHITMAN. I am afraid you will have to ask the sheep men.

Mr. MONTAGUE. The manufacturers are quite well aware that there is no wool grown in this country of the grade of Australian wool that you exhibited here this morning. I asked this morning if that exhibit was Australian wool?

Mr. WHITMAN. Yes; that is Australian wool.

Mr. MONTAGUE. Is that grade of wool grown in America?

Mr. WHITMAN. It may be. The woolgrowers would have to answer that question.

The CHAIRMAN. You stated that there was no way of distinguishing between fabrics by chemical or microscopic analyses; that is, distinguishing reworked wool fiber from the virgin wool fiber; is that right?

Mr. WHITMAN. That is it.

The CHAIRMAN. Have wool fibers scales and rescales, varying with the breed of sheep?

Mr. WHITMAN. Yes, I understand the breed of sheep has something to do with it, and the part of the sheep from which it is taken. It varies in various ways.

The CHAIRMAN. It is reasonable to suppose, therefore, that the fibers of reworked wool might show a less number of scales than the fibers of virgin wool?

Mr. WHITMAN. I suppose in a general way reworked wool might be said to show less scales because many of them might be knocked off. That is only a very general statement, though, because I am not taking the grade of virgin wool that has not been through any stress. The rougher parts of the wool from the buttock of the sheep, and so on, would have to be worked in very much the same way and

the scales might be knocked off. Just because there are no scales on it, or fewer scales on it, would not of itself show it was virgin wool. (Witness excused.)

STATEMENT OF MR. FREDERIC K. NIXON, MEMBER OF THE AMERICAN ASSOCIATION OF WOOLEN MANUFACTURERS.

The CHAIRMAN. Please state your name, whom you represent and your address.

Mr. NIXON. Frederic K. Nixon, member of the American Association of Woollen Manufacturers, 45 East Seventeenth Street, New York City. Mr. Chairman and gentlemen of the committee: It is recognized by all good merchants that the needs of the ultimate consumer must be considered, and it is from this point of view that we believe the stamping of woollen goods with the percentages of raw materials entering into their manufacture would not only be of no value but actually misleading to the buying public. If the importation of foreign woolens could be entirely shut out of the United States of America, it would no doubt be possible for the American manufacturers who blend shoddy and wool in the making of their goods to adapt themselves to the requirements of the French bill without serious injury to their own business, providing the necessary machinery for marking can be developed. It is doubtful, however, if a manufacturer of a superior article would continue to make a product which would be stamped part shoddy, and which would convey to the mind of the public inferiority, when he could make what in reality would be a much inferior fabric, but which, by being stamped 100 per cent virgin wool, would convey the idea of superiority.

As there is no known test which will detect the presence of good shoddy mixed with wool, and as no supervision could be exercised over foreign makers, it would, of course, be very easy for merchandise to be shipped here from abroad stamped 100 per cent virgin wool, which contained shoddy and no one could prove otherwise. In a consideration of this problem, two points should be clearly borne in mind: First, the presence of cotton in a woollen fabric can be proven by the simplest possible test, which does not require any special apparatus, and is made with chemicals that cost only a few cents. Second, compared with the total amount of woollen goods made in the United States of America, the percentage containing shoddy is very small. The misleading ideas which would be conveyed to the public by the marking of the percentages of unscientifically classified fibers, as required by the proposed bill, are better understood by a comparison of some of the fabrics recently sold.

Now, Mr. Chairman and gentlemen of the committee, I have a number of samples taken from merchandise offered by American mills during the last season. I have only one set of samples with me. What would be your suggestion? Shall I pass them around?

The CHAIRMAN. You have only one sample which you can pass around?

Mr. NIXON. I have only this one set of samples, which I will hand to you.

The CHAIRMAN. Very well, you may pass it to the members of the committee.

Mr. NIXON. Samples A-1, A-2, and A-3 are all 100 per cent virgin wool, but so great is the difference in the price of the wool

used and the cost of manufacture, that the cost of making A-3 is more than double that of A-1, but they would all be marked the same. Samples B-1, B-2, and B-3, in like manner, are all fabrics containing shoddy. B-1 contains less shoddy than either of the other two fabrics, and under the provisions of the French bill, would be stamped in such a way as to appear that, owing to the percentage of virgin wool being higher, the fabric would be of greater value than the other two. It is self-evident that in warmth, wearing qualities, and appearance, samples B-2 and B-3 are in every respect better, are more costly to manufacture and rightly sell on a higher basis. Samples C-1 and C-2. A very interesting illustration is shown in samples C-1 and C-2, both of which have been sold for men's suitings in the last few weeks. Sample C-1 is 100 per cent virgin wool. Sample C-2 contains shoddy. C-1 can be made and is actually sold at less money than C-2, but no judge of merchandise would hesitate one moment between the warmth and wearing qualities of the two fabrics, as C-2 is far superior, but, under the provisions of the proposed bill, would be stamped in such a way as to make it appear inferior in the eyes of the public, and would unquestionably deceive them as to the relative value of the merchandise. It has also been claimed by the supporters of the proposed bill that the use of shoddy has enabled manufacturers to get a higher profit on the merchandise than if the presence of shoddy were known. Values in woollens are judged by the keen buyers of cloths for ready-made garments by methods of comparison between the different fabrics shown. The samples used for illustration, which are taken from the present season's market, show how competition makes prices according to the cost of the fabrics, and how impossible it is to deceive the buyers on the relative value of fabrics.

Samples D-1, D-2, D-3, and D-4. Samples D-1 and D-2 are of the same general character and appearance; D-1 is made of virgin wool and sold recently at \$3.50 per yard, whereas D-2 was sold at \$2.65 per yard, thus enabling the consumer to obtain a lower-priced garment. Unquestionably if the manufacturer of D-2 had to stamp his fabric with the per cent of shoddy used he would make the goods of all virgin wool and obtain the higher price, which would be just as profitable as the merchandise he is now making; and the same way Sample D-3, advertised as virgin wool, is sold at \$4.75, and Sample D-4 was sold at \$3.25. There can be no question but that the man who buys the cheaper of these two fabrics is getting equally as good, if not better value for the amount of money spent. Shoddy is, however, used chiefly in the way that it is of the greatest economic value to the community at large, namely, in cloths for outer garments, overcoatings, heavy cloakings, and mackinaws, where warmth and protection are essential without too great a cost.

Samples O-1 and O-2. Sample O-1 shows a Kersey which has been made for many years by the same manufacturer, has an enviable reputation among the users, and gives excellent service to the wearer, providing, at the same time, a warm, slightly, and durable garment. Sample O-2 is a virgin-wool fabric which has been sold for the present season for more money than O-1. It is apparent that to prejudice the mind of the buying public by stamping O-1 in such a way as to lead them to suppose it is inferior to O-2 would be a distinct

misstatement of facts. It would be impossible even for a man of long experience in the business to give any guide to the buying public of the value of cloths by a general classification of the fabrics used. This can be very readily understood by the examination of the sample of card waste which, while it is one of the poorest fabrics known in the woolen trade, would be classified virgin wool, and comparing it with the sample of garnetted worsted, which would be classed as shoddy although it is sold at four times as much as the card waste and more than twice as much as the coarse wool. While exhibits can be multiplied ad lib., we believe that the samples of cloths shown, all of which are actual fabrics sold and are not made for exhibition purposes, will convince you of the futility of attempting to gauge the value by stamping it with the percentages of raw materials used. I thank you.

The CHAIRMAN. The next witness.

**STATEMENT OF MR. GEORGE B. SANFORD, PRESIDENT OF
THE AMERICAN ASSOCIATION OF WOOLEN AND WORSTED
MANUFACTURERS.**

The CHAIRMAN. Please state your name, whom you represent, and your address.

Mr. SANFORD. George B. Sanford, president of the American Association of Woolen and Worsted Manufacturers; 45 East Seventeenth Street, New York City. Mr. Chairman and gentlemen of the committee: During the course of these hearings you have had presented to you, or will have, briefs on the general subject of labeling legislation prepared by committees of the National Association of Wool Manufacturers of Boston, and the American Association of Woolen and Worsted Manufacturers of New York, of which I have the honor to be president. I should like the privilege of presenting a set of resolutions passed by the board of directors of the American Association of Woolen and Worsted Manufacturers at a meeting held on the 17th of March. In doing so I would like to state that, as we see it, the question precipitated is as to whether the Congress shall enact general legislation designed to protect the public in its purchases of commodities of all kinds, or special legislation designed to protect the public in its specific purchases of a product of a particular industry. The Rogers bill introduced a few days ago, is intended to accomplish the former, while the French bill introduced some weeks ago, is aimed at the woolen and worsted industry specifically. We favor the Rogers bill because we believe that it will protect the public from fraud and misrepresentation in its general purchases, and we oppose the French bill, first, because in our opinion it will—

Mr. SANDERS (interposing). Mr. Chairman, may I interrupt to ask the gentleman a question right here?

The CHAIRMAN. Yes.

Mr. SANDERS of Indiana. You say you are in favor of the Rogers bill. Do you really think we ought to have legislation of this character?

Mr. SANFORD. As president of the American Association of Woolen and Worsted Manufacturers, I am very glad to say that one of the principal objects of the association is the improvement of industrial

conditions and to encourage honesty in practice, and all that sort of work. A great deal of work has been done in that direction, and our committees are constantly at work endeavoring to bring about such improvement all through.

Mr. SANDERS of Indiana. Well, I suppose there is considerable State legislation on the subject already, is there not? Have not some of the—

Mr. SANFORD (interposing). Pardon me, the point that I was leading up to is that we believe the Rogers bill could be made of assistance to the association, in preventing misrepresentation and dishonesty in practice. That is why we indorse and would advocate the passing of a bill like the Rogers bill.

Mr. SANDERS of Indiana. Are not the States able to take care of that proposition?

Mr. SANFORD. Well, I could not really answer that. This is based on the assumption that the constant and continuous agitation upon this subject and the advocating of it by a more or less wide propaganda seems to establish the claim that the National Government should take it up. However, that is within the wisdom of this committee to decide.

Mr. SANDERS of Indiana. This so-called Rogers bill now pending relates to interstate commerce, of course; unopened packages, and so on, in commerce between States; while State legislation could, of course, deal only with the commerce wholly within the State.

Mr. SANFORD. The assumption would be that with such a national law the individual States would establish other laws that would supplement the national laws.

Now, then, gentlemen, to continue, we favor the Rogers bill because we believe that it will protect the public from fraud and misrepresentation in its general purchases, and we oppose the French bill, first, because in our opinion it will not accomplish the object that its proponents claim for it; and, second, because it is what might be called special or separate legislation aimed at a particular industry and contemplates regulations and restrictions of that industry which could be justified only if it were demonstrated that fraud and misrepresentation are widely practiced, which I submit has not been done and I believe can not be done. In other words, I feel that the enactment of special legislation involving interference by the Government, which interference is not justified or in any sense necessary, could not be defended. Except for the strongest and soundest reasons, we feel that Government regulation of and interference with industry, which is a legacy of the war, must be insistently guarded against. It has been clearly established by information presented here, that at the very outset, fraud, in so far as it concerns reworked wool, could be practiced in not more than 20 per cent of the total production of the woolen and worsted industry. By the most ardent proponents of the French bill, it is not claimed that the whole of the product of cloth containing reworked wool is or can be misrepresented, so that we are confronted with the curious anomaly that in order to safeguard the public from possible misrepresentation on a portion of a whole product that must be something less than 20 per cent, the Congress is asked to impose the burden of restrictive labeling on 80 per cent of the total product of that industry, and I submit that to impose these burdens and the additional costs involved

therein upon 80 per cent of the product, in order to correct possible fraud on a fraction of 20 per cent is, to say the least, uneconomic. I think it should be brought to the attention of this committee that the only adulterant or substitute for wool is cotton, and the highly developed and common tests which readily disclose the presence of cotton when blended with wool, to say nothing of the skill of the buyer of cloth at wholesale, make it utterly impossible to sell cloths in which cotton is employed, as "all wool." Reworked wool or shoddy is not a substitute for wool; it is not an adulterant, it is wool.

The recovery of the wool fiber used in the construction of cloths and its return to a condition in which it can be again woven into cloth is a necessary economy of civilization. If shoddy were of necessity and at all times a cheap substitute for wool, and its presence in a fabric inevitably meant inferiority, I should be one of the first to advocate legislation making it compulsory on the part of manufacturers of cloth to disclose the percentage of shoddy in a given fabric, but as has been stated repeatedly, the designation of shoddy in a piece of cloth can in no way disclose to the consumer the value of the fabric or garment made therefrom. Values in shoddies are regulated by competition and the market varies as widely as to grades and prices as does the market on raw wool. Many types of shoddy are superior in point of service and warmth to many types of fleece wool. The whole purport of the French bill is to condemn shoddy, to create false standards in the minds of the consumers, to make the man or woman purchasing a garment believe that if it contains shoddy it is inferior, which is not a fact, and therefore I submit that in stead of protecting the public, legislation which will compel labeling will confound and confuse the public, upset the clear standards established by competition and result to gain in no one but the proponents of the bill. I submit further that the French bill is wrong in principle. Wrong in conception because it is transparently selfish in motive and wrong in principle because it is utterly impossible of application. The whole subject is much too complex and technical to be brought within the scope of the average consumer and without a full knowledge of the relative values of wool and reworked wool, and their blending qualities, a label disclosing merely the respective percentages of each is worse than useless. It will tell the purchaser nothing. It will lead him to purchase an inferior suit because the cloth therein is labeled fleece wool instead of a more serviceable garment because the tag attached thereto happens to disclose the presence of reworked wool. It is with these facts in mind that the board of directors of the American Association of Woolen and Worsted Manufacturers, at their meeting on Wednesday last, adopted the following resolutions, which I would like to have entered on the records of these hearings:

Whereas the board of directors of the American Association of Woolen & Worsted Manufacturers are in hearty accord with any movement intended to improve honesty in business transactions; and

Whereas there appears to be a demand for legislation that will more completely protect the public from fraud and misrepresentation; it is

Resolved, That the board of directors of the American Association of Woolen & Worsted Manufacturers, at its meeting on the 17th day of March, 1920, does hereby approve and indorse the bill introduced by Congressman Rogers, known as the honest merchandise act of 1920, and it is

Further resolved, That the board of directors urges upon the Congress the adoption of this bill, in the confident belief that it will accomplish the protection of the public and will greatly assist in detecting, punishing, and suppressing fraudulent practices in general merchandising, and it is

Further resolved, That the labeling legislation committee of the association be and hereby is instructed to present a copy of these resolutions to the Committee on Interstate and Foreign Commerce of the House, and to take such other steps as will properly record the position of the American Association in this matter.

I thank you, gentlemen.

The CHAIRMAN. Those resolutions may be printed as a part of the record, as you request.

Mr. DEWALT. Mr. Chairman, may I ask this gentleman a question?

The CHAIRMAN. Yes.

Mr. DEWALT. As president of this association, do you have knowledge, or have you an opinion which you would care to express, as to the effect of the passage of the French bill upon the price of virgin wool?

Mr. SANFORD. I think it would tend to increase the price of wool.

Mr. DEWALT. The reason I ask that question is this—it was not directly stated, but rather indirectly indicated that this was a movement on the part of the woolgrowers of the country for their special benefit instead of for the benefit of the buyers themselves. Do you think that that is a reasonable inference?

Mr. SANFORD. I think that the inference on the part of our association and those in our industry is that the French bill could be of benefit to no other part of the industry or the community except the woolgrower.

Mr. JONES. Would it be a benefit to them?

Mr. SANFORD. Only in the hope that it would increase the demand for wool and thereby the value of the wool. The tendency, I should suppose, would be to decrease the use of shoddy and to increase the importations of wool.

Mr. JONES. Isn't it true that the price of substitutes, of imitations, rises and falls with the general market?

Mr. SANFORD. You know that there is a ready market for shoddy outside of the United States, and I think that if you depress it beyond a certain point it will leave the country, and we will simply import other wools of different characters, to take its place, on the assumption that there is not wool enough grown in this country to take care of the whole necessities of the country.

The CHAIRMAN. Has your association any other representatives that desires to be heard?

Mr. SANFORD. No; that is all.

STATEMENT OF MR. HORACE B. CHENEY, REPRESENTING CHENEY BROS., SOUTH MANCHESTER, N. H.

Mr. CHENEY. I represent Cheney Bros., of South Manchester, silk manufacturers, and I also appear as the chairman of the legislative committee of the Silk Association. What I have to say will be rather brief. First, in order to show that the Silk Association is constructive and not destructive, I will briefly state what they have done. The first thing, in order to clean house, they made an examination in their own industry, to determine whether there were improper and unreasonable practices, frauds, being practiced, and they stopped two manufacturers who they discovered were marking merchandise as pure dye that was not pure dye.

They called the attention of a number of silk manufacturers to other trade practices which they considered unethical or fraudulent, all of which were stopped without legal suit. They then brought a complaint to the Federal Trade Commission in relation to a number of other trade practices, where other materials were being represented as silk which were not silk. I will file with your committee a copy of the complaint which was made to that commission, with the action which was taken upon it. Since that time they have again made other representations and secured further action, and are continuing to do the same thing both in their own trade and with reference to other material being sold as silk, or in a way which might lead the public to believe that they were other than they were.

The association also took formal action advocating the passage of such legislation back in 1916, as was then represented in Mr. Barkley's bill, which was soon afterwards presented, and is at present represented in the bill which has been presented by Mr. Rogers. We believe that is constructive legislation, and we believe that it is desirable that it should be enacted.

Mr. BARKLEY. May I ask you right there; were you present as a witness before the subcommittee that went into this fabric question in 1916, which resulted in the introduction of the bill?

Mr. CHENEY. Yes, sir.

Mr. BARKLEY. I thought you were present at that time representing your Silk Association?

Mr. CHENEY. I at that time presented a brief which so well fits the case that I am going to present it again as the brief of the Silk Association in relation to the whole subject. Although it was published in 1916, it covers that portion of the subject.

Now, as to the form of legislation which should be enacted: First, no legislation should be enacted which does not bring information to the consumer which will enable him to more intelligently make purchases and use his money to the best advantage, or which does not bring about some improvement in the practices of merchandising and trading in general.

With relation to the specific legislation which is being discussed to-day, and to other matters which are being developed in Washington, it is my opinion that the Capper bill and the French bill, which are practically identical, do not bring to the consumer information which is available and useful for him, and which will result in improvement in trade conditions. I am not a woolen manufacturer or worsted manufacturer, but I know enough about the subject to know that the information which would be brought to me as a consumer under those bills would be misleading and not informative. I could get very much better information as to the material I was buying in a suit of clothes by obtaining a sample of the goods and pulling out a few of the threads and untwisting them to find out whether the fiber was long, and breaking them to find out whether they were strong—simple things which could be done by any person, and one could get information better in that way than in the way presented by the bill.

As to the question of the application of such principles to silk, the Department of Justice, I understand, at the present time is making an investigation with a view to establishing standards for

various types of merchandise which will specify the number of threads and the number of picks and the materials which should be used in the manufacture of cloth to be sold under those standards.

Cheney Bros. employ approximately 5,000 people. We have got in the neighborhood of 200 people in our sales organization, and a considerable number of technical experts of all kinds employed in the plant. It is my belief that the number of men in Cheney Bros.' employ could be numbered on the fingers of one hand who, given the most complete physical and chemical analysis that it was possible to make of silk goods when they had it before them could tell you whether the goods were good merchandise and suitable for the purpose, and the price charged. On the other hand, there are 10 men to 1 who could do that, who if you put a piece of merchandise in their hands could look at it and tell you whether it was a good thing for the purpose you wanted to use it for.

It has been in the past proposed—it is not immediately, but it will be again—proposed that silks be subjected to chemical analysis, and that the finding so determined by chemical quantitative analysis shall be used as a basis for criminal prosecution of manufacturers. The Silk Association, in order to determine the practicability of that plan, employed the services of the 10 best chemists that they could find available, 2 in Germany, 2 in France; there were 2 college professors, 2 commercial chemists in the United States, and 2 men from the Bureau of Standards to make an analysis of a given set of samples, with the result that there were no two chemists who agreed, and the variations were so great that in one case a chemist made an error of 100 per cent in the amount of weighting which he found in the material.

Mr. DEWALT. The amount of what?

Mr. CHENEY. He made an error which was 100 per cent of the weighting that actually existed in the material—of which the chemical weighting was to be determined.

You are trying to make—excuse me, you are not trying to make—the bill which is under discussion to-day attempts to make technical experts of the general consuming public, and it can not do it.

Now as to the practicability of the administration of such a bill, in order to be useful it must bring the knowledge directly to the person who is to purchase and to use the goods in making garments or for other purposes. To-day in the silk business 75 per cent to 85 per cent—I am not sure but more—of all the goods manufactured is cut up by manufacturers of garments—and in a woman's dress there may be half a dozen major materials used, such as chiffon for the sleeves, and perhaps a satin underbody, the waist, velvet for the skirt and some other material in the front of it, and the lining of another material—and it would be absolutely impossible to take all of those small shapes, cut out pieces of goods, and put a label on each one of them that was of sufficient size to contain an analysis of the materials, without making the garment a travesty and so undesirable in appearance that you couldn't get any woman to wear it. It would kill it deader than a doornail.

Mr. SIMS. If it would reduce the cost of clothing in general it would be a good thing, wouldn't it?

Mr. CHENEY. That is a very popular theory, sir. My brother some time ago came down here on a similar errand and he went to

see the Secretary of the Treasury in this matter, and when he was called upon with such a question he said: "Well, I will call the witness nearest at hand, your stenographer. The dress you have got on is silk, isn't it?" She replied "Yes." "Was it an expensive dress?" "No," she said, "it was not as expensive as it would have been if it had been made out of wool." "Was it as serviceable?" "Yes, sir; very much more serviceable, because I can wear it not only in the office but I can go to the theater in it, and I can even go to dances in it."

Mr. SIMS. Some of the most expensive gowns seem to have the least material in them. Is that due to scarcity of cloth, do you think? [Laughter.]

Mr. CHENEY. Well, I don't particularly assert that.

Mr. BARKLEY. You can be assumed to be fundamentally opposed to that scarcity of cloth?

Mr. CHENEY. I should say yes, sir. I don't believe it is healthy for us as a nation nor as a people nor as business men to have such a scarcity of material. That is what fundamentally is back of all the present unrest and difficulties of merchandising.

Mr. BARKLEY. Is there any way to stimulate the manufacture of more cloth so that there would be sufficient to make all of the garments that are desired complete instead of only partially complete?

Mr. CHENEY. Well, ever since 1914 we have been unable to secure labor sufficient to operate our entire plant at its full capacity. During the war, as was natural, our products suddenly decreased in quantity until the armistice came. Since then it has steadily increased. At present we have gotten up very nearly to where we were before the war in number of employees and quantity of output, but we haven't all of our machinery in operation yet, due to labor scarcity. And at that, our labor costs have increased 205 per cent and our wages to the worker have increased 155 per cent.

Mr. BARKLEY. As a matter of fact, is the abbreviation of dresses, as we now understand them, and see them, due to lack of material or to the dictation of those who set the styles?

Mr. CHENEY. I think that is chiefly a style provision rather than due to lack of materials. I think if they thought it was lack of materials, the fashionable women would wear more.

Mr. SIMS. Can you do anything to induce them to wear them three weeks without having a new one, without the style changing so that the women have to have a new one?

Mr. CHENEY. She prefers to have the change, generally.

Mr. DEWALT. Mr. Cheney, you were talking about some factory in the silk trade which your association had discountenanced fraud, and also of a complaint made to the Federal Trade Commission. Did that relate to the use of dyestuffs in the manufacture, or what were the complaints?

Mr. CHENEY. Well, one complaint was the selling of weighted silks as pure dyes.

Mr. DEWALT. Please explain that to the committee, what you mean by "weighted silks."

Mr. CHENEY. A very large portion of the yarn-dyed silk goods, I think it is pretty generally known in the country, have added to them tin salts for the purpose of filling up the fibers and expanding the material and giving additional weight to it. Now that has been

given a black eye, some of it deservedly so. The amount of weighting which is used to-day has been considerably decreased.

Mr. DEWALT. Now, stop right there. Has that been cured by the provisions of the Rogers bill or the Barkley bill?

Mr. CHENEY. If anybody attempted to sell their merchandise as other than it was, they could be directly prosecuted under that bill; yes, sir.

Mr. DEWALT. What was the next complaint?

Mr. CHENEY. Well, some cotton manufacturers, one man in particular, who was selling a material as a guaranteed sun-fast silk which did not have a particle of silk in it.

Mr. DEWALT. Would that also be cured by the provisions of the Barkley bill or the Rogers bill?

Mr. CHENEY. It would.

Mr. DEWALT. Let me ask another question now: Was that confined to only one particular instance, or is it done pretty generally in the trade?

Mr. CHENEY. Here is a copy of the complaints. You will see that there are quite a number of them.

The CHAIRMAN. Hand one of those to the stenographer and we will have it incorporated in the hearings.

(The paper referred to follows:)

/ PETITION TO ENJOIN MISBRANDING.

UNITED STATES OF AMERICA, FEDERAL TRADE COMMISSION.

The Silk Association of America, complainants, *v.* A. Theo. Abbott & Co., Charles Maxwell Co. (Inc.), Goldin Bros., Kaplin & Goldblatt, Henry Myer Thread Manufacturing Co., The Thread Mills Co., Circle Silk Co., American Thread Co., Kerr Thread Co., Amherst Manufacturing Co., and Western Thread Co., respondents.

Austin, McLanahan & Merritt, attorneys for petitioner, 135 Broadway, New York City.

To the honorable Federal Trade Commission of the United States:

Your petitioner, the Silk Association of America, respectfully shows as follows:

1. The Silk Association of America is, and has been since 1876, a membership corporation organized and existing under the laws of the State of New York, and was not organized for profit and never has engaged in business for profit; that your petitioner is authorized to file this petition with your honorable commission on behalf of its members for the purpose of securing protection for its said members and the public from the unfair methods of competition hereinafter set forth.

2. That the objects of your petitioner are as set forth in its certificate of incorporation, to wit:

"The objects of the association shall be for the purpose of promoting the advancement and prosperity of the silk interest in the United States more effectually by the increase of information, by the interchange of ideas, by harmonious action, by the development of industrial art, and by all other proper and appropriate means."

3. That your petitioner has a membership of about 300 persons, firms, or corporations, nearly all of which are engaged in the business of manufacturing, working upon, or selling silk goods or merchandise either as merchants or manufacturers, and that most of said members are located and have their principal offices in one of the States of New York, Pennsylvania, New Jersey, or Connecticut, with sales agencies in other States of the United States, and that each and every one of said members of said association is engaged in interstate trade and commerce in the purchase or sale of silk merchandise, and that said products of one or more members of your petitioner are sold to customers in every State and trade center of the United States, and the combined interstate sales of silk merchandise of said members of your petitioner average \$200,000,000 yearly.

4. That the membership of your petitioner consists principally of manufacturers of and dealers in dress silks, lining silks, and necktie silks (known as broad silks), and manufacturers of and dealers in silk threads and yarns for sewing and embroidering

purposes (known as sewing silks), and also manufacturers of and dealers in ribbons, hatbands, laces, veilings, knit goods, etc.

5. That the word "silk" has a technical, precise, and exact meaning and is only accurately and properly used in identifying and describing materials derived from the cocoon of the silkworm, and that said materials are superior in strength, elasticity, and durability to, and more expensive than, any other fiber used in connection with the manufacture of textile merchandise.

6. That your petitioner and the members of your petitioner are each of them financially interested in maintaining the reputation of all kinds of silk textile goods for beauty, strength, and durability and in maintaining the identity of silk merchandise distinct from other textile merchandise and free from all confusion in the minds of purchasers and the general public, and said members are similarly and injuriously affected by the activities of any and all merchants and manufacturers who place upon any of the markets of this Nation or distribute through the channels of interstate trade and commerce any kind of textile goods which are not derived in any part or proportion from the silkworm, but which are so misbranded and misrepresented by false, misleading, confusing, or unfair trade-marks, trade names, stamps, advertisements, wrappers, or containers as to mislead or deceive purchasers into the belief that said inferior merchandise contains some proportion of true silk; and any act on the part of merchants and manufacturers to so deceive or mislead purchasers and the general public, by improper use of the word "silk" or any combination of letters suggesting the word "silk," into believing that merchandise of a particular manufacture not containing any silk of the silkworm, is genuine silk is an unfair method of competition and a direct injury to the members of your petitioner by thus unfairly subjecting them to competition with goods of an inferior and cheaper character which are improperly, unfairly, and fraudulently sold and palmed off as silk merchandise, and such unfair methods of competition further destroy the reputation of genuine silk merchandise for strength, durability, and high quality by association of the word "silk" in the mind of the purchaser and consumer with goods of a cheaper and inferior character, thereby injuring the reputation of genuine silk goods manufactured and sold by the members of your petitioner, and such improper practices tend further to defeat the objects for which your petitioner was organized "of promoting and advancing the prosperity of the silk interest."

7. That it is to the interest of the public and for the public good that purchasers and consumers should not be confused as to the character of the products they are purchasing, and that the identity of products derived from the silk worm should be clearly and distinctly maintained in all trading and commercial transactions for the benefit of all purchasers, whether ignorant or educated, by confining the use of the word silk or any combination of letters obviously designed to suggest the word silk to the original technical and accurate use of said word as descriptive of the products of the silk worm or goods containing some proportion thereof.

8. That there are various manufacturers and merchants throughout the United States, including the defendants above named, who are engaged in unfair method of competition in interstate trade and commerce, to the injury of your petitioner and its members, by making interstate sales and intrastate sales, which come into competition with the interstate sales of the members of your petitioner, of merchandise containing no proportion of silk whatsoever, but branded, marked, stamped, and advertised with the word silk or some combination of letters suggesting the word silk, with the intent, purpose, and effect of palming off said goods on purchasers and the public generally as silk merchandise of the kind sold by the members of your petitioner in the course of interstate trade and commerce and that said merchandise so misrepresented and misbranded is sold, through the course of interstate trade and commerce in the same States and cities and, in many instances, to the same dealers and customers, as the interstate sales of genuine silk products by various members of your petitioner, and that your petitioner and the members thereof are being irreparably injured in their interstate trade and business in the manner hereinbefore set forth by said unfair methods of competition, through the loss of interstate sales, the impairment of the selling value of their silk merchandise, and the general injury to the reputation of their merchandise for high quality, strength, and durability because of its confusion in the public mind with inferior merchandise, on account of said unfair methods of competition; that among the instances where merchants and manufacturers have so engaged in the aforesaid unfair methods of competition to the injury of the public interests, your petitioners and the members thereof, in the manner aforesaid, are those hereinafter set forth.

9. That A. Theo Abbott & Co. is a corporation having its principal place of business at Berkeley Street, east of Wayne Avenue, in the city of Philadelphia, and is there engaged in the manufacture of textile goods primarily for tapestries and interior

ions, which do not contain any proportion of silk, and that said A. Theo Abbott sells and distributes said products throughout the channels of interstate trade commerce to customers in the cities of New York, Philadelphia, Chicago, and elsewhere as "Kapock silk"; that the samples of said products bear the stamp "Kapock silk" and the words "Silk Venetian," and that the trade-mark of said company is generally advertised and reproduced in many magazines which are in circulation throughout different States of the United States and is stamped on the letterheads of said company, and that said trade-mark so generally advertises and obtains the name and description by which said goods are sold to the general public and upon which the public relies in purchasing said goods, and a photographic reproduction of said trade-mark is as follows:



recently and after being accused of fraudulent practices as aforesaid by your committee said company has added to its trade-mark in minute and inconspicuous characters the words "is not a worm silk" in such a manner as to still deceive purchasers of goods are still sold as genuine silk. That a photographic reproduction of said trade mark is as follows:



That said altered trade-mark is printed on tickets attached to the merchandise, and there is printed matter on the back of said ticket of which a photographic reproduction is as follows:



THE WHITE BASTING THREAD

on the reverse side of Kapock Silks is a patented trade-mark for your protection (which can be easily removed without damage to goods), and is your

GUARANTEE

that we'll refund your money or replace the goods, if Kapock Silks fade in either sun or water. Kapock Silks are sun-fast and tub-fast.

A. THEO ABBOTT & CO.

Philadelphia, Pa.

10. That the goods so manufactured by said A. Theo Abbott & Co. and so misbranded, are distributed and sold to retailers in New York City and in many other leading cities in different States of the United States in the course of interstate trade, and are there sold at retail in said respective cities and said goods so sold come into direct competition with goods manufactured by various members of your petitioner for interstate sale and shipment and the interstate sale of said goods so misbranded has resulted in the loss of interstate trade to said members on account of such unfair methods of competition, because customers of said members who otherwise would have made interstate purchases of products of one or more of the members of your petitioner have purchased and retailed said misbranded products of A. Theo Abbott & Co. and would not have so purchased and retailed said products if they had not been improperly marked and misbranded "silk."

11. That Charles Maxwell (Inc.), a corporation organized under the laws of the State of New York, is engaged in business at 1170-1172 Broadway, in the city and State of New York, and has from time to time sold, and is still selling and disposing of, rain coats to customers outside of the State of New York, and soliciting orders for said rain coats through the mails from customers outside of the State of New York, and in connection with said sales and solicitation of orders, is using the trade name "Maxwell Silk Poplin Rubberized Rain Coats."

12. That said raincoats so sold and for which orders are so solicited do not contain any proportion of silk fiber, and the trade-mark or name containing the word "silk" and the word "poplin" is so used and attached for the purpose of deceiving and misleading the public into the belief that said merchandise is silk, and purchasers are so deceived; that said raincoats so misbranded are sold by said company in New York City and in the course of interstate trade and commerce to customers outside of the State of New York, and both said interstate sales and intrastate sales come into direct competition with interstate sales of genuine silk raincoats manufactured by members of your petitioner for sale and consumption in New York City and other cities in other States than the State of New York, and the said members of your petitioner are being thereby subjected to such unfair methods of competition, to their great and continuing injury.

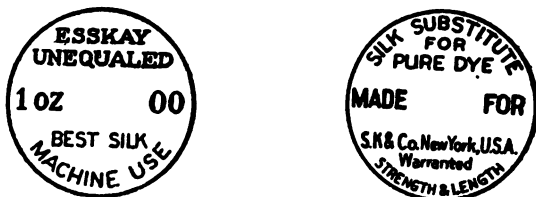
13. That Goldin Bros., a copartnership, composed of Abraham, Tobias, and Samuel Goldin, and engaged in business as wholesalers of textile goods at No. 175 Grand Street, near Center Street, in the city of New York, have, from time to time, sold and still are selling and disposing of large quantities of mercerized cotton thread inclosed in a

wrapper with a trade name and printed matter affixed thereto of which a photographic reproduction is as follows:



14. That said merchandise so marked does not contain any proportion of silk fiber, and the trade-mark containing the word "silk" is so attached for the purpose of deceiving and misleading the public into the belief that said material is silk and the purchasing public are so deceived; that said goods so misbranded are sold by said copartnership of Goldin Bros., in New York City, and in the course of interstate trade and commerce to customers outside of the State of New York and come into direct competition with interstate sales of genuine silk thread manufactured by members of your petitioner for sale and consumption in New York City and other cities in other States than the State of New York, and the said members of your petitioner are being thereby injured by being subjected to such unfair methods of competition.

15. That Kaplan & Goldblatt is a partnership composed of Samuel Kaplan and George Goldblatt, and is engaged in the business of selling textile merchandise as wholesale merchants at 44 West Twenty-sixth Street, in the city of New York, and that said concern is selling and disposing of large quantities of cotton thread on spools which at each end contains a different trade name or stamp, of which a photographic reproduction is as follows:



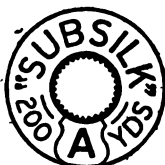
16. That said thread so stamped contains no proportion of silk and is solely cotton thread, but is advertised in the press and sold as spool silk, and that by misbranding and so misrepresenting said thread as silk the said concern intends to and does deceive the purchasing public into the belief that said merchandise is silk; that said goods so misbranded are sold by said Kaplan & Goldblatt to customers in New York City and in the course of interstate trade and commerce to customers outside of the State of New York, and all said sales come into direct competition with interstate sales of genuine silk thread made by members of your petitioner to customers in New York City, in the State of New York, and to customers in other States, and the said members of your petitioner are thereby injured by being subjected to such unfair methods of competition.

17. That the Thread Mills Co. has factories located in different States where it manufactures and sells cotton thread bearing a trade mark or stamp of which a photographic reproduction is as follows:



That said goods contain no proportion of silk, and are so misbranded for the purpose of leading purchasers to believe that said goods contain some genuine silk, and the purchasing public is thereby so misled and deceived; that said goods so misbranded are sold by said Thread Mills Co. in the course of interstate trade and commerce to customers outside of the State of their manufacture, including retailers in the city of Chicago; that said goods so sold by said Thread Mills Co. and its customers come into direct competition with interstate sales of genuine silk made by members of your petitioner for sale and consumption in the city of Chicago, and other cities in other States, and the said members of your petitioner are being injured by being subjected to such unfair methods of competition in interstate trade.

18. That the Henry Myer Thread Manufacturing Co. is a corporation maintaining a factory for the production of thread in the city of Chicago in the State of Illinois, and that said company is selling and distributing throughout the course of interstate trade and commerce large quantities of cotton thread on spools containing a different stamp at each end thereof of which a photographic reproduction is as follows:



That among other places, said spools of thread so misbranded as silk are sold to the National 5 and 10 Cent Store, at 308 West Biddle Street, in the city of Baltimore and State of Maryland, and there retailed by said store to customers as silk, and that the purpose of said manufacturer in attaching the word "silk" to said spool is to deceive the public into believing that the products to which said name is affixed are genuine silk products, and members of your petitioner manufacturing silk thread for sale and consumption in said State and for interstate sale and shipment to other States and cities where said misbranded products of the Henry Myer Thread Manufacturing Co. are sold in interstate trade, thereby suffer loss in their interstate trade and business on account of said unfair methods of competition.

19. That the American Thread Co. is a corporation doing business in the city of Fall River, and State of Massachusetts, and having a large factory in that city where it manufactures and sells throughout the course of interstate trade and commerce to customers in many different States, a large quantity of cotton thread on spools containing the trade stamp or mark on the respective ends thereof as follows:



That there is also an encircling band around the thread which is stamped as follows:

BEWARE OF SHORT
LENGTH GOODS THAT
STATE NO YARDAGE



"SANSILK"

WARRANTED
100 YARDS

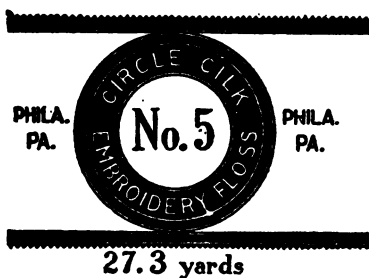


20. That among the other goods manufactured by said American Thread Co. and sold throughout the course of interstate trade and commerce to customers in many different States is a kind of cotton thread on spools bearing a stamp on the respective ends of the spools of which a photographic reproduction is as follows:



21. That none of the said products of the American Thread Co. in connection with which the names Sansilk and Silkateen are used contain any portion of silk, and said goods are so marked for the purpose of misleading the general public into the belief that said products are genuine silk. That said merchandise so misbranded as Silkateen and Sansilk is sold to large retailers in the city of New York and elsewhere in other States, where said goods are then sold by retail, and that said retailers are important customers of many of the members of your petitioner, and that in the sale of said misbranded products as silk to said retail stores in New York City and to many other stores in other States and cities where members of your petitioner sell competing merchandise and in the resale of said products by said stores, said members are subjected to unfair methods of competition, to their great and irreparable injury.

22. That the Circle Cilk Co. has its principal place of business at 2734 North Fifth Street, Philadelphia, in the State of Pennsylvania, and sells large quantities of cotton thread containing a trade name, stamp, or trade-mark as follows:



That said merchandise so misbranded does not contain any genuine silk, and your petitioner is informed and believes that said Circle Cilk Co. does not produce any genuine silk merchandise or any merchandise containing any silk, and your petitioner believes that the word "Cilk" as embodied in its corporate name and the use of the trade stamp "Circle Cilk Embroidery Floss" upon cotton thread produced and sold by said company is but part of a scheme or plan to mislead the general public into the belief that said goods are silk; that said goods are sold in the course of interstate trade and commerce to cities outside of the State of their manufacture and come into direct competition in said cities with genuine silk thread made by members of your petitioner and sold in the course of interstate trade to customers in the same cities where said misbranded goods are sold; that said members are thereby injured by being subjected to such unfair methods of competition in interstate trade.

23. That the Amherst Manufacturing Co. is a corporation engaged in the manufacture of textile goods in the city of Amherst, in the State of Massachusetts, and produces and sells generally in the course of interstate trade and commerce to customers



**WARRANTED
FAST COLORS** **SHK^{CO}SILK** **USE IVORY SOAP AND TREAT
AS SILK IN WASHING** **2½ Cents**

ABSOLUTELY FAST COLOR  AMERICA'S BEST  150 YDS. JAPSILK TATting CROCHET  MERCERIZED ELGINIZED

ARTZLIK

**MADE IN
330 K&Z**

Collingbourne
THISTLE & DOWNE
**A BETTER THREAD
ASKEIN A ROPE.**

25. That in all of the advertisements, trade names, and stamps accompanying the aforesaid products of the Western Thread Co., the word "silk" is always used in conspicuous letters, and that said goods marked "Japsilk," "Artzilk," or "Texasilk" do not contain any portion of silk and are so marked for the purpose of misleading the purchaser into believing that said merchandise is genuine silk, and many purchasers are thereby misled. That said misbranded merchandise is sold in the course of interstate trade and commerce and comes into direct competition with genuine silk thread made by members of your petitioner, and sold through interstate trade to customers in many of the same cities where said misbranded goods are sold, in interstate trade, and said members of your petitioner are thereby directly injured by being subjected to such unfair methods of competition in interstate trade.

26. That the Kerr Thread Co., of Fall River, Mass., manufactures in Fall River, and sells to customers outside of the State of Massachusetts, large quantities of cotton thread marked "Silkateen," and containing a stamp on both ends of the spool of which a photographic reproduction is as follows:



That said thread is surrounded by an encircling band containing certain printed matter, as follows:

Beware of short
length goods that
state no yardage



PURE "SILKATEEN"



WARRANTED
100 YARDS

That said merchandise does not contain any portion of silk and said name of "Silkateen" is adopted for the sole purpose of misleading the general public into the belief that said thread to which it is attached is genuine silk and the purchasing public is thereby misled.

27. That said merchandise of the Kerr Thread Co. so misbranded is sold in the course of interstate trade and commerce to many customers in States outside of the State of Massachusetts, and many of said customers also purchase silk thread of one or more members of your petitioner in the course of interstate trade, and said members are thereby wrongfully subjected to such unfair methods of competition in their interstate trade and business, to their great and irreparable injury; that among the customers to which said misbranded goods are sold in interstate trade by said Kerr Thread Co. are large retail merchants in the city of New York, and customers in the city of New Orleans, in the State of Louisiana, and that members of your petitioner sell large quantities of genuine silk thread to said customers in said cities of New York and New Orleans, and are thereby directly injured by such unfair methods of interstate competition.

28. That your petitioner is informed and believes that there are other and further instances of unfair methods of competition of the kind and character hereinabove set forth affecting the silk industry, and that your honorable commission will discover a large amount of evidence of this character if it undertakes a further investigation of such unfair methods of competition affecting the silk industry in the United States.

Wherefore your petitioner prays:

(1) That your commission shall issue and serve upon A. Theo Abbott & Co., Charles Maxwell Co. (Inc.), Goldin Bros., Kaplan & Goldblatt, Henry Myer Thread Manufacturing Co., The Thread Mills Co., Circle Silk Co., American Thread Co., Kerr Thread Co., Amherst Manufacturing Co., and Western Thread Co., the respondents herein named, a copy of the foregoing complaint, accompanied with a notice of hearing to take place at a date and place fixed by your commission, within 30 days after service of said complaint, and that after such hearing your commission shall issue an order requiring said respondents to cease and desist from the use of the word "silk" or any combination of letters suggesting the word "silk" on or in connection with any merchandise which does not contain silk, or on or in connection with any trade-marks,

trade names, wrappers, containers, or advertisements relating to textile merchandise which does not contain any silk.

(2) That your honorable commission will investigate the unfair methods of competition prevailing in the silk industry by the improper use of the word "silk" or any combination of letters suggesting the word "silk" upon or in connection with merchandise containing no silk, and will thereafter proceed in accordance with law to serve a complaint relative to all unfair methods of competition disclosed by said investigation upon all persons, partnerships, or corporations guilty of such practices, and will thereafter in accordance with law hold a hearing concerning said violation of law and issue and serve upon all such persons, partnerships, and corporations engaged therein an order requiring them and each of them to desist from such unfair methods of competition.

And for such other and further relief as to the commission may seem just and proper in the premises.

THE SILK ASSOCIATION OF AMERICA,
By RAMSAY PEUGNET, *Secretary*.

UNITED STATES OF AMERICA,
State of New York, city and county of New York, ss:

Ramsay Peugnet, being duly sworn, deposes and says that he is the secretary of the Silk Association of America, the complainant and petitioner herein; that he has read the foregoing petition and knows the contents thereof, and that the same is true to the best of his knowledge, information, and belief.

RAMSAY PEUGNET.

Subscribed and sworn to before me this 30th day of November, 1915.

EDWIN C. MULLIGAN,
Notary Public, New York County.

MR. DEWALT. I hope the chairman will pardon me, and the rest of the committee, in asking these questions, because I come from the city of Allentown, and I think we have—well, I don't know how many, but I guess we have thirty-odd silk mills there, and D. G. Derry, whom you possibly know, is reputed to be—I don't know whether he is—the largest individual silk manufacturer in the country.

MR. CHENEY. I could not say about that.

MR. DEWALT. And therefore I am interested in this particular phase of the question. Whether the frauds—or not frauds, but misrepresentations, perhaps, is a milder term, have been practiced in the silk trade?

MR. CHENEY. Well, you will see that there are a considerable number of them, such as men selling material for silk which was mercerized cotton; men who were selling silklet, sansilk, silkline, and so on—materials which were pure cotton. Those were stopped. There was one case of a material which was advertised as satin, giving very close resemblance to a silk material, and anybody looking at it and having it presented to them as satin would have believed it to be silk. It was pure cotton. That is one of the latest cases.

MR. DEWALT. Does this same state of facts apply also to the ribbon trade, as well as the broad silk trade?

MR. CHENEY. I think more or less it applies to every trade there is in the world.

MR. DEWALT. I was speaking now specifically of silk. Does it apply equally to the ribbon trade, as well as to the broad silk trade?

MR. CHENEY. Yes, I should say in every business in the world there are some unscrupulous men who will take advantage of the situation to sell things for what they are not.

MR. DEWALT. Now one more question and I have finished.

Speaking in the per cent ration, can you tell us how many of the manufacturers of broad silks and ribbons, belong to your association, or do you not head an association?

Mr. CHENEY. Well, practically all of the large manufacturers belong to the association. It is one of the largest associations in the country. I have here a copy of the annual report of the association.

Mr. DEWALT. I am just asking you for general information.

Mr. CHENEY. My memory of it is that there are between 800 and 900 manufacturers that belong to that association.

Mr. DEWALT. Could you roughly state what the number of manufacturers is in the country?

Mr. CHENEY. Possibly 1,000.

Mr. DEWALT. Now when you voice this sentiment, as you do here to-day, are you voicing the sentiment of this association with reference to this matter?

Mr. CHENEY. The association has continuously maintained that position through a number of different discussions and with different committees considering it for the last 8 or 10 years.

Mr. DEWALT. You have examined both the Barkley bill and the Rogers bill, have you?

Mr. CHENEY. Yes, sir.

Mr. DEWALT. And in your judgment one of these bills, or perhaps a joinder of the two, would be effective to remedy this evil of which you speak?

Mr. CHENEY. I should say yes, sir.

Mr. DEWALT. And are you of the opinion that the French bill would help you or not help you?

Mr. CHENEY. My opinion of the French bill is that it serves no good purpose.

Mr. DEWALT. That is all I want to know.

Mr. SIMS. Is there not a kind of silk substitute made from wood pulp?

Mr. CHENEY. Yes, sir; there is so-called artificial silk—cellulose.

Mr. SIMS. Does it make a pretty good fabric?

Mr. CHENEY. It makes some very reasonably good fabrics, yes. There is an article now which is being made very largely and well, and it is a thing of merit, a thing of beauty, but it ought not to be sold as silk. It has been sold as silk, and the Rogers bill would prevent it being done in the future.

Mr. SIMS. Is that wood pulp of the ground-wood variety, or is it chemical sulphide pulp?

Mr. CHENEY. There are several different methods of producing it, but they are all either from cotton or wood pulp. They are made by converting it into cellulose and squeezing it through orifices.

Mr. SIMS. As you perhaps know the rise in the price of print paper now, and other paper, is very great, and I don't know whether the use of wood pulp for this kind of goods that I have just referred to has anything to do with the price of paper or not, does it?

Mr. CHENEY. I should say not, sir. The use, while large, is nothing as compared with the use for paper, and it would be infinitesimal.

Mr. SIMS. But it may extend, I suppose, the use of it?

Mr. CHENEY. It has extended and is extending rapidly.

Mr. SIMS. It is used for hosiery purposes, isn't it?

Mr. CHENEY. Yes, sir; it is used for hosiery, and used for dresses. I think probably some lady present may either have it on now or has had it on. Most of the silk sweaters, so called, that were made two or three years ago were made out of it.

Mr. SIMS. They were beautiful and valuable.

Mr. CHENEY. It is a useful and valuable material. It makes a material which is beautiful and has real use. The only thing that is wrong about it is to sell it for something that it is not.

Mr. SIMS. You couldn't hurt it by telling the truth about it?

Mr. CHENEY. No, sir.

Mr. BARKLEY. You are not directly interested in this bill because it does not attack the silk industry?

Mr. CHENEY. It does, sir. It requires that any materials which are made of silk and wool shall be stamped, and that would extend to the stamping of all silk worsted mixtures, such as we make in considerable quantities, very beautiful and very valuable materials, which would be practically ruined by its provisions.

Mr. BARKLEY. That is not the material part of my question. Are you able to say to what comparative extent there is misrepresentation or fraud in the sale of woolen manufactured goods as compared with silk, linens, and other fabrics?

Mr. CHENEY. I am afraid any comparison of that kind would be rather invidious, sir.

Mr. BARKLEY. I mean if there is a necessity or desire for legislation compelling the branding of woolen products, is there a similar condition existing in other branches of the trade that would justify the same sort of legislation as to them?

Mr. CHENEY. I should say that in general in all trades, the majority, by far the large majority of the manufacturers are honest, straightforward men who are trying to make their materials honestly and market them without deception. There are in every trade some men who will attempt to deceive.

Mr. BARKLEY. Are they any greater in the woolen business than in any other business?

Mr. CHENEY. I should say not.

Mr. BARKLEY. So that if the legislation provided for in this bill, introduced by Mr. French, is desirable for protecting people in the matter of wool, it would also be equally desirable to extend it to other forms of cloth and perhaps to other branches of industry of all sorts?

Mr. CHENEY. I think that there ought to be legislation. I sincerely hope that there will be legislation which will prevent misrepresentation and fraud, and will protect the ultimate consumer to the limit that it is feasible to do so, and that he can avail himself of that protection.

Mr. BARKLEY. Would it be practicable to enforce legislation providing for the compulsory branding of all articles of commerce that go into interstate commerce, so as to show the contents of the article, no matter what it might be?

Mr. CHENEY. It is as impracticable in other lines as it is in textile lines. Think what would happen if you tried to brand all the steel in an automobile, as to the constituent parts that went into it?

Mr. BARKLEY. Well, take a piano. Do you know how many different ingredients go into the making of the piano?

Mr. CHENEY. No, sir; I know that they are very numerous.

Mr. BARKLEY. What I was trying to get at is, is there any condition in the woolen trade that makes it an exception to others, that would make this legislation desirable in singling out wool as the basis for it?

r. CHENEY. I should say not. I should say all industry ought to be compelled to tell the truth in relation to any statements they make at any time and any place.

Mr. BARKLEY. Is it as easy to detect misrepresentation or fraud in the matter of silk or cotton, and linens, as it is in wool?

Mr. CHENEY. I don't know. I should say that perhaps it was more difficult to tell it in silk than it was in others, although it is pretty hard to do it in either, particularly when you begin to bring in such differentials as are artificial and unresponsive, as shoddy and virgin wool.

Mr. BARKLEY. Are you able to state what the relative quantity in yardage is between the contention of silk and woolen garments, or side bricks in the United States?

Mr. CHENEY. No; I can not. I have in mind the census figures of the yardage that was produced in the silk. In the last census it was about \$250,000,000; at the present time it certainly is \$500,000,000.

Mr. BARKLEY. You mean dollars or yards?

Mr. CHENEY. Dollars.

Mr. BARKLEY. That is all I have.

The CHAIRMAN. We will now hear Miss Pitner.

**STATEMENT OF MISS I. K. PITNER, REPRESENTING THE
AMERICAN HOME ECONOMICS ASSOCIATION, CRESCENT
PLACE, SHORT HILLS, N. J.**

Miss PITNER. I represent the American Home Economics Association. I really represent the consumer, because it is said that about 90 per cent of the purchasing that is done in the retail stores is done by women. Certainly a very large percentage of the purchasing is done by women.

Now what is it that the purchaser when she goes into a store wants to know? She wants to know, first, whether the goods that she is buying is durable. Will it wear? That is, most women want to know that; some women do not care. Second, she wants to know if the color and design are attractive. Third, she wants to know if it is suitable for the purpose for which it is intended. In other words, if she is buying a coat for her little girl, a winter coat, in this climate, she wants a warm coat and she wants to know that the material is all wool. If she is buying it out in California where it is warmer she doesn't care so much, but she wants to know if it is suitable for the purpose for which it is to be used. Now, how is she going to know that? If you labeled goods as this French-Capper bill speaks of labeling them, the information which you are giving to the consumer, to the woman who buys goods, does not inform her, because she is not familiar with the technicalities of your terminology. She doesn't know when you say that there is a certain percentage of shoddy and a certain percentage of wool in there what the grade of that shoddy is and what the grade of that wool is. She does not know any more than you men know when you are shown these fabrics what the value of that fabric is by the label on the fabric. If you told her to go down and buy some light-blue material, she might think one color was light blue and you might think another color was light blue. If you tell her that there is shoddy in that material or that there is worked-over

wool in that material, she doesn't know what grade it is, and the label doesn't tell her what she wants to know, whether that fabric is going to be durable; whether it is going to be suitable for the purpose she wants it for or not; consequently, that label does not inform the purchaser of that material as to what she wants to know.

Mr. DEWALT. Will you allow me to interrupt you right there?

Miss PITNER. Yes, sir.

Mr. DEWALT. Granted that she does not know from the information that she might obtain merely from the label, is there any means that you can conceive of by which she would know? Can you help us out of this problem?

Miss PITNER. If you will just wait a moment, I will, as nearly as I can.

Mr. DEWALT. All right.

Miss PITNEY. There is one other way that she might perhaps know, and that is by education. Is it possible to educate everybody as to the value of fabrics? Several years ago I taught textile fabrics. I taught a class of girls in textiles. I could only reach a very few. I have taught it in universities, and I have taught it in high schools, and generally speaking it is not possible to teach girls much of anything about textile fabrics; it is not possible to teach women much of anything about them. It is impossible to educate the general public as to the value of different kinds of fabrics, unless you have a certain fabric on the market right along year after year and year after year. You might finally then get people educated up to the value of that particular fabric, but fabrics change every year; the structure and contents change, and it is not possible to educate them to those changes. Price is no indication. Now when I say price is no indication, I do not mean that the manufacturer is dishonest. The manufacturer puts out an honest piece of goods at an honest price, but when it comes to the retailer selling that piece of goods, how do you know that he is making more of a profit on that goods than he is entitled to, or how do you know that he is representing that goods for what it really is?

Now, let me illustrate. A petticoat manufacturer told me the other day that he manufactured a certain grade of petticoats, a certain design of petticoats, in a very good grade of material, and he noticed that one of his buyers bought a small order of those petticoats every season. The third season he said to him: "What is the matter with these petticoats? Don't they sell very well?" "Yes," the buyer replied, "they sell splendidly." "Well, why is it that we don't get more than so much of an order each season from you?" He said:

I will tell you what I ordered those petticoats for. I have other petticoats made in that same design and silk that looks like that silk, and then I have my salespeople wear those petticoats—I mean to say the good petticoats. I have them all labeled alike, and when a woman comes in to buy a petticoat and wants to know what is a good grade of petticoat, I say: "Here is a good one bearing this label. This is very good." And she asks for some proof of it, and I say: "Well, now, my saleswoman there is wearing one of those petticoats, and has been for 8 or 10 months, and she can tell you how it is wearing." The sales woman shows her that the petticoat has been wearing very well, and the lady buys a petticoat but she doesn't buy the one of the quality that the sample is made of; she buys a petticoat of the poorer quality.

Now that is what the purchaser is up against when she goes to a store. What does she know? How can she tell?

If you will pardon a personal illustration, I bought in January a pair of shoes for which I paid \$16.50, manufactured by a very high-grade manufacturer of shoes. I have bought them for several years and found them very satisfactory. After I had worn them about six weeks I noticed that they did not look very well, and after I had worn them two months I discovered that there was a slit in the leather on both shoes, and also a hole worn in the back, in the cloth top. So I took them down to the first-class shoe place where I had bought them, where they should sell reliable goods—and always have, so far as I know—and they told me that they could not do anything about it except to repair the shoes. I said: "Do you mean to tell me that the manufacturer of those shoes will not stand back of them?" He said: "Madam, as soon as we buy the shoes from the manufacturer it is up to us. The manufacturer has no responsibility in regard to those shoes." "Well," I said, "how am I to know when I buy shoes of that manufacturer whether they are any good or not? If you were a shoe manufacturer wouldn't you want to know whether your shoes were satisfactory or not? Wouldn't you want me to come back?" "Well," he said, "yes; to be frank with you, ethically you are right; I would. But they don't do it, and the grade of shoes that is made by this firm is supposed to be all right, but we can't guarantee that it is."

Now, that shows you that price is no indication, because a pair of shoes that you pay \$16.50 for ought to last more than two months. Price, at the present time, so far as I have been able to observe in the last six or eight months, is really no indication—retail prices are really no indication of the value of the fabric.

Now, to my mind, there is only one way that we can accomplish anything in knowing what we are getting when we buy fabrics—and we can't do it with many fabrics, but if we had a law which prevented the misbranding of fabrics, the misrepresentation of fabrics, people such as Mr. Cheney, such as any of the manufacturers of silks or woolens, could manufacture certain standard silks which they put out under a certain name, and the experience of the buyer after they had had those silks or those woolens or those linens a few times would be that those materials were satisfactory, that they were made to certain specifications, that they were represented as such-and-such materials with such-and-such a content, such-and-such a durability, and that they would stand up to the test, and the purchaser would know then that if she wanted to buy serge for her little girl's dress, that there was a grade of serge by a trade name on the market that was understood to be made exactly to such-and-such specifications, just the same as the Government requires certain specifications in their woolens.

For years Skinner's satin—all-silk satin—has been thoroughly reliable as to wearing qualities. There are many other silks that are also, but I speak of that because that has always been put out under the trade name, and if we could have a few materials, a few fabrics, that we could put our finger on and say: "We know that if we buy those fabrics, from our experience they will give a certain grade of wear that is represented as such," and the law would prevent those fabrics from being misrepresented—in other words, if the manufacturers had to stand up to their representations of those fabrics, it would give a basis for the standardization of fabrics, and make it possible for us to know something about what we are buying. It is not

possible for the consumer to test fabrics, except in a very simple way, and that does not tell very much, but it is possible to develop a certain minimum standard of fabric that would be protected by such a law as the Rogers bill or as the Barkley bill will make possible.

At the present time we are up against an absolutely uncertain market, more uncertain because of war conditions than ever before, as the result of war conditions, and labor troubles, and so forth. But in time it seems to me that a bill of this sort would make it possible to more or less standardize fabrics, so that the consumer would know a little bit about what she is buying, and in time would know more and more, perhaps.

Mr. BARKLEY. May I ask you a question right there? Is it not true that in a large measure those who are more greatly imposed on in the purchase of these spurious fabrics are those who can least afford to pay the prices for what they get?

Miss PITNEY. I think it is generally so. And moreover, those people go to the stores where things are sold more cheaply, and at those stores one is not so sure of the goods being backed by the establishment as one is at the store where one pays a better price for the fabrics. It may be that the store, in any particular case, will stand back of its fabrics, but generally it is the people who can not afford to lose who are the losers.

Mr. BARKLEY. Are you able to compare, we will say, the wool and silk and cotton fabric industries, as to the amount of misrepresentation that goes on? In other words, is there or not a greater demand for legislation providing for compulsory labeling in any particular industry than others?

Miss PITNEY. Well, it seems to me—that is a very difficult thing to say, but it doesn't seem to me there is as much misrepresentation in the cotton trade as there is in the other three—linen, woolen, and silk. Silk is so heavily weighted sometimes that it is very difficult to tell how much weight there is in it, and whether the weighting is of such a character that it will rot the fabric very quickly or not. There are so many different ways of weighting silk.

Mr. BARKLEY. Is it true that there is practically no such thing as pure silk?

Miss PITNEY. No; it is not true. Mr. Cheney can tell you very much better than I can how much pure silk there is. I know that there is silk that is called the pure dye silk, and I think—Mr. Cheney, is there any weighting in pure dye silks at all?

Mr. CHENEY. It is safe to say that all materials that are piece dyed and printed have no foreign material in them. It is only in the yarn-dyed materials where a portion of the product is weighted.

Mr. BARKLEY. I got the impression that a fabric made of nothing but silk itself was not durable or desirable because of the lack of weighting or shape and all those things that might result after it is made up in a garment.

Mr. CHENEY. It is true that in France when they make the very finest patterns that they can make, for wedding dresses, that they put a little bit of weighting into the material and claim it gives it additional strength. We don't do that very much.

Mr. BARKLEY. They don't do that in this country, except in more heavily weighted materials?

Miss PITNER. I have a sample, a piece of silk exhibited by a friend of mine who has lectured a great deal on textile fabrics, and has written a book on the subject, and this sample was part of the trousseau that belonged to her great-grandmother. It is still in perfect condition. It was a perfectly pure silk, and perfectly pure silk will pretty nearly wear forever, other things being equal. It is very indestructible. But the more silk is weighted the more likely it is to be destroyed by the weighting.

Mr. BARKLEY. The material used for weighting is not so permanent in its durability as the silk?

Miss PITNER. It is destructive of the silk.

Mr. BARKLEY. It not only destroys itself but it destroys the silk?

Miss PITNER. It destroys the silk; yes, sir.

The CHAIRMAN. We are very much obliged to you, Miss Pitner.

It is now 20 minutes of 5, and the committee has been sitting over five hours. How much time will you require, Mr. De Berard?

Mr. FREDERICK DE BERARD (of New York). I shall try to be as brief as possible. I will not take many minutes, but Mr. Cromwell also wishes a few minutes.

The CHAIRMAN. I doubt very much whether we can conclude, then. You represent whom?

Mr. DE BERARD. The Merchants' Association of New York.

Mr. BARKLEY. Before he asks, may I ask whether Mrs. Norton is here?

The CHAIRMAN. I was not advised that she wanted to appear.

Mr. BARKLEY. I understood she and Mrs. Sisson were to appear.

Miss PITNER. Mrs. Norton was going to be here, but she is not here.

The CHAIRMAN. I think then that we had better recess until tomorrow morning at half past 10.

(Whereupon, at 4.45 o'clock p. m., the committee recessed until 10.30 o'clock a. m.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Thursday, March 25, 1920.

The committee on this day met, Hon. John J. Esch (chairman), presiding.

The CHAIRMAN. The committee will come to order. Is Mr. Walter W. Brown in the audience?

Mr. BROWN. Yes, sir.

The CHAIRMAN. You may appear.

STATEMENT OF MR. WALTER W. BROWN, REPRESENTING
PARKS & WOOLSON MACHINE CO., SPRINGFIELD, VT.

The CHAIRMAN. Give your name, address, and state whom you represent.

Mr. BROWN. Walter W. Brown, representing the Parks & Woolson Machine Co., of Springfield, Vt.

The CHAIRMAN. You may testify. You may give what information you can upon the pending measures. I judge, as a manufacturer of machinery, your testimony will be directed to the matter of stamping textiles and the possibility of so doing. Is that right?

Mr. BROWN. That is correct. I wish to state that, as manufacturers of long standing, we have friends on both sides of this question, and that the only interest we have here at this hearing is to give information regarding the machinery which we make for stamping textiles. The Parks & Woolson Machine Co., of Springfield, Vt., could furnish four styles of machines to cover what would seem to be every reasonable requirement, namely:

First. A Model AR, as shown in circular 227, to trade-mark only and leave in a roll or loose fold, ready for further handling.

Second. An A W C measurer, as shown in circular 227, to trade-mark and measure. Cloth could be left in roll or loose fold, ready for packaging.

Third. Springfield doubling winder, to trade-mark, measure, double, and wind, leaving in package of doubled goods. See circular 225.

Fourth. Lancashire winder, to trade-mark, measure, and wind, leaving in package of single-width goods. For narrow cloths. See circular 223.

Any of the three methods for trade-marking could be applied to these four machines and each one of them, however fitted, a one-man machine.

We believe that we could be in a position to supply the demand within six months after we received notice that the proposed legislation had become law. We should plan to standardize three machines and should expect to make a reduction from our present prices.

We have three different processes for marking fabrics, all of which are illustrated in circulars attached herewith.

1. The Kaumagraph process, using the transfer stamps manufactured by the Kaumagraph Co., of New York, which is the most efficient and satisfactory in every way and which is the only process by which certain rough fabrics can be successfully marked.

2. The Baird process, which uses ink applied through a stencil belt and which is suitable for delicate fabrics and which may be marked on the selvage or near the edge if without selvage.

3. The ink printing process using metal dies and applying the ink direct to the fabric, which is the cheapest and which is suitable for smooth-faced fabrics and cheap goods, and especially cottons.

Any one of these three processes can be applied to any of the four machines referred to.

For quantity production, it might be best to make a separate trade-marking machine, consisting of a unit which would carry the cloth through the machine and apply the trade-marks. This unit could be used alone or in conjunction with some other process, preferably, measuring the goods for market.

I have the circulars here and will leave them with the chairman. I might add that we have figured on this matter of meeting the requirements and we do feel that there is no doubt of our ability to produce the necessary number of machines in the required time. We should undoubtedly build one machine which we could manufacture; that is, quantity production, which would enable us to make a reasonable price, and to turn the machines out sufficiently fast to meet the requirements.

The CHAIRMAN. Have you a patent?

Mr. BROWN. On two of these processes, the Kaumagraph process and the Baird process.

The CHAIRMAN. Do you stamp only on the selvage?

Mr. BROWN. The Kaumagraph prints anywhere on the face and on the back of the goods. Either on selvage or any other location.

The CHAIRMAN. What would you say about such stenciling rendering certain goods unuseable because of such stenciling?

Mr. BROWN. I can think of no stenciling on the back of the goods rendering them unuseable except when the stenciling would show through.

The CHAIRMAN. Woolen goods, as a rule, have selvage?

Mr. BROWN. They do.

The CHAIRMAN. There are goods that do not have selvage, are there not?

Mr. BROWN. I can not recall any goods but what have some selvage. Sometimes it is very narrow, perhaps an eighth of an inch in width.

The CHAIRMAN. You are perhaps familiar with the French bill?

Mr. BROWN. Yes, sir. Now, Mr. Chairman, I might say that with the Baird process it would be necessary to print it all on one line. With the Kaumagraph or ink process it may be printed in the form of a sign or block.

The CHAIRMAN. You say on thin textiles it might show through?

Mr. BROWN. I say that a stamp on the back of a thin textile, some thin textiles, might be objectionable, but such textiles would have to be marked on the selvage.

The CHAIRMAN. Is indelible ink used?

Mr. BROWN. No, sir.

The CHAIRMAN. Could it be rubbed off, or must it be washed off?

Mr. BROWN. Kaumagraph marks can be removed by gasoline. Am I not right, Mr. Marsten?

Mr. MARSTEN. Yes.

The CHAIRMAN. Can it be removed by gasoline?

Mr. BROWN. It can be removed by gasoline, or benzine, or anything of that nature.

The CHAIRMAN. And that would not destroy or injure the fabric?

Mr. BROWN. No, sir.

The CHAIRMAN. Women often times turn garments. Would your plan interfere with that or render that impossible?

Mr. BROWN. I should say not.

The CHAIRMAN. Your machines are operated separate and distinct from the machinery that is used in weaving the fabric?

Mr. BROWN. Yes, sir.

The CHAIRMAN. Can it readily be attached to such machinery?

Mr. BROWN. It would not naturally be attached to the weaving machinery, but to the finishing machinery. The machines that I have specified are finishing and packaging machines, machines which measure and double the cloth together and wind it up into a bolt, such as you see in tailor shops.

Mr. BARKLEY. This label that you spoke of being stenciled in on the back of the goods, could it not be put there in such a way that it could not be removed?

Mr. BROWN. I do not understand that at present there is any indelible process.

Mr. BARKLEY. You say the stamp may be removed from the cloth by certain acids or liquids?

Mr. BROWN. It may be removed, Mr. Barkley, by benzine or naphtha, or anything of that nature.

Mr. BARKLEY. If it were stamped then on a label and that label attached to the back of the goods, would that still be subject to the possibility of removal?

Mr. BROWN. I should say that that would not be a practical scheme, because of the expense.

Mr. BARKLEY. That would have to be a separate process and could not be done as the cloth itself would be manufactured?

Mr. BROWN. No; because with the finishing process it would have to go through, I would say that it could not. That would not be a practical scheme.

Mr. WINSLOW. On what basis do you work out your ability to furnish those machines in six months?

Mr. BROWN. We have figured on that. We have taken an arbitrary estimate of a billion yards of goods containing woolens manufactured in this country annually, and we have taken the productive capacity of a machine, which is 40 stamps a minute. We figured that the machines would run five hours out of eight, and on that basis we figured that it would take about 500 machines; and we are already building these machines, we have the designs completed, the patterns, the material—I am familiar with the construction of them—and we figured that we could very easily turn out that number of machines in six months.

Mr. WINSLOW. Well, on the basis of 500 machines, do you estimate anything more than the capacity of the machines, regardless of their distribution?

Mr. BROWN. I do not understand the question.

Mr. WINSLOW. Well, now, 500 machines on the basis of 40 stamps a minute, might mark all the yardage that you refer to, 1,000,000,000 yards. Would 500 machines be enough machines if distributed around where the cloth was made, to do the work?

Mr. BROWN. Three hundred machines would actually do the work. We allow two to three hundred more for distribution.

Mr. WINSLOW. Then 500 machines in all of the mills would be enough to cover the present day needs?

Mr. BROWN. Some mills would have more than one machine, and some mills have their goods finished in finishing houses; they do not do any finishing themselves, and would have their goods finished in the finishing plants.

Mr. WINSLOW. They would have to send them away?

Mr. BROWN. They do now.

Mr. WINSLOW. Would you expect every mill that finishes its own goods to have one of these machines?

Mr. BROWN. Yes.

Mr. WINSLOW. What is the market price of one of those machines?

Mr. BROWN. The market price to-day is high, because they are limited.

Mr. WINSLOW. I ask the question with reference to the future.

Mr. BROWN. The Baird machine, which has stenciling process, is priced to-day at \$1,500. The A W C, with the Kaumagraph process, is \$1,050, and with the ink trademarking, \$900.

Mr. BARKLEY. You say the price is high because the demand is limited. You did not mean that, did you?

Mr. BROWN. I did.

Mr. BARKLEY. Is not that the reverse of the ordinary economic law, that the price should be high where the demand is limited?

Mr. BROWN. Yes. By "limited" I mean that we can not have quantity production.

Mr. BARKLEY. There are just so many machines that can be used, and on account of the small number that are available for sale, the price is thereby increased?

Mr. BROWN. No; it works out this way: One man wants to mark his goods while he is measuring, and another man wants to mark his goods while he is doubling and winding; consequently, we have to adapt our attachments to particular machines, to handle his particular goods in the way he wishes to handle them. That means that we can not have jigs, and so on, to produce these things in lots of 100 or 200; we have to build them up one at a time.

Mr. BARKLEY. You do practically have to build a separate machine for each mill, then?

Mr. BROWN. Yes.

Mr. WINSLOW. Have you figured out in any way the probable actual gross cost of marking the woollens that are made in the country?

Mr. BROWN. I have not.

Mr. WINSLOW. Can you give us any idea as to the price of any particular kinds of woollens or worsteds?

Mr. BROWN. I should say that Mr. Marsten, who is here from the Kaumagraph Co., could give you that information.

Mr. WINSLOW. Have you any competitors in the construction of those machines?

Mr. BROWN. Not very active ones, no. There is one other manufacturer of trade-marking machines with the ink process.

Mr. WINSLOW. Are there any methods that are well known for marking goods in connection with the weaving of looms with the machine attachment?

Mr. BROWN. That is something that I do not know.

The CHAIRMAN. Do any manufacturers stamp or mark their goods now?

Mr. BROWN. Yes, sir.

The CHAIRMAN. Where do they stamp them?

Mr. BROWN. They stamp them mostly on the back, near the sel-vage. Some stamp several rows clear across the back of the fabric. You will find cuts in these circulars which I will leave illustrating them.

Mr. JONES. I take it from your testimony, if this bill becomes a law, these manufacturers will have to buy their machines from you in order to carry out this stamping?

Mr. BROWN. Not necessarily.

Mr. JONES. Are there other manufacturers of these machines?

Mr. BROWN. There are other manufacturers of textile machinery that might go into the business. The business has been so small up to the present, Mr. Jones, that there has been no incentive for them.

Mr. JONES. With reference to these stamps on the back of the fabric, some may desire to use the fabric without a stamp being placed on the back in the hope that they might want to turn the fabric some time. You can remove that mark with gasoline.

Mr. BROWN. Yes.

Mr. JONES. You run the risk of spoiling the fabric by trying to remove the mark with gasoline, would you not?

Mr. BROWN. I don't think so.

Mr. JONES. It depends somewhat on the kind of gasoline used in trying to remove the stamp?

Mr. BROWN. You will recall that I said that certain delicate fabrics should be marked with the Baird process, which marks them on the selvage only?

Mr. SIMS. Would it or not be necessary to put the stamp on each yard of goods? In other words, the marking on the selvage, could not that be of a reasonable distance along the selvage and not necessarily be on each and every yard?

Mr. BROWN. It would not be necessary to put it on every yard, but every two yards would do, probably. The machines are made to mark every yard, yard and a half, or two yards, as desired. I should say they would want to get it on a piece of cloth which was not longer than was necessary to make a suit of clothes or coat.

Mr. SIMS. The object and purpose of this marking is to guarantee to the purchaser that he is getting what he is supposed to be buying, and if the marking is sufficient to do that, on the bolt of cloth, it has accomplished everything, the same as if it were marked on every square inch, and it seems to me that the expense could be very considerably reduced by not having to mark every single yard, or that it would not be necessary to mark every yard; and that the public might be reasonably protected either by one marking or the other. I wanted to explain that situation to see if I was correct or not. In other words, if a purchaser wanted 5 yards of cloth and somewhere on that 5 yards of cloth there appeared but one marking, that purchaser would get all the benefit by the marking on that 5 yards the same as if every yard had been marked, would he not?

Mr. BROWN. But if he should want only $3\frac{1}{2}$ yards, and the mark did not come on that $3\frac{1}{2}$ yards, he would not get his protection.—

Mr. SIMS. He would not get it on that piece of cloth which he purchased, but he would get it on the bolt of cloth from which he purchased it—if the mark was in a certain place, near the end of the bolt. If it was where it could be easily seen by the purchaser it would seem to me to be sufficient. For instance, if a lady goes into a store and wants to buy 5 yards. There is no mark on the 5 yards, but on the sixth yard there is a mark. Therefore, her 5 yards may not have the mark, but she would be just as much advised by the mark on the sixth yard as though she bought the 6 yards. What I want to find out is this: In order that the purchaser may have the means of protecting himself or herself, if the bolt from which the purchase is made is so marked, that then the objects and purposes of the bill are completely realized. Is that not true?

Mr. BROWN. I would say that if she took the goods home and they did not prove to be all that they were sold for and she had no mark on the goods, that her protection would not be adequate; and when she went back the balance of the piece may have been sold. I should say, sir, Mr. Sims, that not over 2 yards would be a safe protection.

Mr. SIMS. In other words, that there ought to be one mark not further apart, then, than say 6 feet along the entire bolt?

Mr. BROWN. Yes, sir.

Mr. SIMS. What I want to find out is, if I order a suit of clothes and pick out the goods, I can see if that bolt is marked somewhere; and then in addition to that I am given a sample of the cloth in order to

see that they do make the suit out of the very goods that I purchased. I want to see if this marking can not be done at the minimum of expense.

Mr. JONES. Is it not a fact that many women buy remnants and linen fabrics frequently on the counter, say half a yard, three quarters of a yard, or a yard?

Mr. BROWN. Yes, sir.

Mr. JONES. And if the mark "A" appears on that remnant she has got notice by the marking on it?

Mr. BROWN. True.

Mr. JONES. Is it not practically necessary to stamp pretty nearly every yard?

Mr. BROWN. I think so.

Mr. SIMS. As to remnants, if there was a mark on the end of the bolt, certainly a person who bought the remnant would see that mark.

Mr. BROWN. A great many pieces of goods are cut up and sold as remnants.

Mr. JONES. I am not advised and am asking for information, and I would be glad to have it.

Mr. DEWALT. Mr. Brown, yesterday one of the gentlemen who gave us a statement presented these samples, which I hand you. I think there are 16 of them, but I have not counted them. Now, would it be practicable, without destroying or defacing those goods, so as to make them marketable, to mark them with your machine or any other machine of similar character?

Mr. BROWN. I have an expert here from the factory. I would like to consult with him for just a moment, if that is permissible.

Mr. DEWALT. Certainly.

The CHAIRMAN. Those are all woolen fabrics, are they not?

Mr. DEWALT. I really do not know what they are. Mr. Clark says they are all woolen fabrics, but I would not like to be sworn as to that.

Mr. BARKLEY. Do you mean that they are all woolen, or that they are all wool? There is some difference.

Mr. DEWALT. Well, they are samples that were brought here yesterday.

Mr. BROWN. Our factory expert, Mr. Sturdevant, who is the man that goes about the mills and sets up these machines, says that these light fabrics should be marked with cream color on the back and that then it would not show through unless you hold it up to the light, and then it would show through. Light fabrics of this nature, it might be thought best by the manufacturer to mark them on the selvage by the Baird machine, as I suggested, rather than with the Kaumagraph stamp. And these others, these can all be marked with the Kaumagraph stamp, and there would be no trouble with these.

Mr. DEWALT. Is it not a fact, or do you not know it to be a fact, that those which you have picked out as the ones that should be marked light have appreciably no selvage?

Mr. BROWN. I can not tell from these samples whether these goods were woven without any selvage.

Mr. DEWALT. Might Mr. Clark be asked as to that?

The CHAIRMAN. Certainly.

Mr. CLARK. Yes; they have a selvage, but they have a very narrow selvage. I should say in order to be marked they should have a broader selvage. I would like to ask Mr. Brown a question, if it is proper, about that method of marking on the selvage.

Mr. DEWALT. I will ask him as to that. Mr. Brown, what is the custom as to marking on the selvage? What should be the width of the selvage in order to make an efficient mark?

Mr. BROWN. They can mark goods with a selvage of an eighth of an inch successfully.

Mr. SIMS. Woolen goods?

Mr. BROWN. Silk and cotton.

Mr. SIMS. How about woolen goods?

Mr. BROWN. I think they invariably have a wider selvage.

Mr. DEWALT. The marking of the selvage would not depreciate the value of the goods, because the marking on the selvage would not show when the goods were made up?

Mr. BROWN. That is the way I understand it.

The CHAIRMAN. Are there any further questions to be asked of Mr. Brown?

(Witness excused.)

The CHAIRMAN. I wish to state in behalf of Mr. Brown that he did not volunteer to come here to testify before this committee. I telegraphed him to appear, feeling that the matter of marking goods was a very essential feature of the proposed legislation, and I was interested to know as to the workability of marking goods. As Mr. Brown has had some experience along that line I telegraphed him to appear.

Mr. SIMS. Then Mr. Brown appeared at your request, and not at the request of those interested in the bill?

The CHAIRMAN. Yes. Did you say, Mr. Brown, that Mr. Marsten is here in this same connection?

Mr. BROWN. Yes, sir.

The CHAIRMAN. Mr. Marsten may appear.

Mr. CLARK. Mr. Chairman, is it proper for me to ask Mr. Brown a question?

The CHAIRMAN. Yes.

Mr. CLARK. I would like to ask a question about the Baird process of marking on the selvage. I have made some inquiries about that. One of our large manufacturers has such a machine for that purpose, for the purpose of stamping his mill name on the selvage of his goods, and he reported that it did not work successfully with them for this reason, that in the first place, it was very difficult to stamp it on the selvage itself, that is, to keep it on the selvage. In the next place, there was trouble with the ink, that it was sometimes too thin and sometimes too thick, and that the goods had to remain in the fold after they were stenciled in order that the ink would thoroughly dry before the goods were rolled up for the market, which also made it a very serious objection. How about that?

Mr. BROWN. Are you willing to give me the name of the mill?

Mr. CLARK. Why, I think it was the Arlington Mills.

Mr. BROWN. I do not know anything about that.

Mr. STURDEVANT. It is the ink that they had trouble with. We put in an ink machine there that never worked, but their machine at that time had a patent on the folding, which we could not use, as I understand it.

Mr. CLARK. One other question I would like to ask Mr. Brown, if you will allow me, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. CLARK. He has figured on the total yardage of the country and on that basis the number of machines that would be required to stamp all of the goods that were turned out. I want to suggest that that is a very improper method of figuring, because every mill that turns out woolen goods has got to have the apparatus that is necessary for doing this stamping, and instead of 300 or even 500 covering it there are from 1,200 to 1,300 mills that would have to be fitted out with the apparatus for doing this stamping. Why, if you remember, we in our testimony did not deny that it was practicable to do the stamping, but in our judgment the Kaumagraph process was the most desirable, at least the least expensive and the best in every way; but there were so few mills, being only eight mills that had that Kaumagraph attachment, and only 150 or 200 mills that have these A. W. C. machines to which the Kaumagraph attachment can be applied. To fit out 1,200 or 1,300 mills and install the apparatus for this stamping would take a very long time. I understand that it would take from seven to eight months to fill the orders you have for textile machinery which you have at the present time, and I take it that you could not go on new orders until after your present orders are completed or substantially completed; and to fit out all the mills of the country, 1,200 to 1,300 mills, with additional apparatus for doing this stamping, why, I think it is fairly clear that it would take a long period of time, even after your present orders are completed.

Mr. WINSLOW. Mr. Clark, do you understand that under the provisions of this bill it would be quite impossible to have the bill go into effect until every yard of cloth could, by virtue of the Kaumagraph equipment, be marked?

Mr. CLARK. I think it would be utterly impossible.

Mr. SIMS. How long in your judgment would it take to make a sufficient number of the machines and install them, to accomplish the purpose which is intended?

Mr. CLARK. Mr. Brown can answer that question better than I. I have given you some of the factors entering into the cost. It is my opinion that it would take two or three years before all the mills of the country could be equipped with the necessary machinery. But it might be done in two or three years.

Mr. SIMS. It might be done in two or three years?

Mr. CLARK. I should think so.

Mr. BROWN. In our first figures we took 1,500 machines, and we figured that we could turn out 1,500 machines in six months, and that would certainly be a very generous estimate, I should say. Mr. Clark says that we have only eight Kaumagraph machines in operation at the present time. Mr. Sturdevant, how many machines have we in operation? Have you got a list of them?

Mr. STURDEVANT. We have about 25 Kaumagraph machines in operation at the present time.

Mr. CLARK. My statement applied to the machines in use in the woolen mills of the country, not what you have in other finishing establishments or anything of that kind, but to the number in woolen mills in the country. That statement was made by, I think, Mr. Sturdevant, to me. Did you not give me the number, Mr. Sturdevant?

Mr. STURDEVANT. I did not give the number in woolen mills.

Mr. CLARK. It came in a letter that I had from you yourself.

Mr. STURDEVANT. I was speaking of all the branches, I was not speaking of only one.

Mr. DEWALT. In your calculation of 1,500 did you take into consideration the silk mills of the country?

Mr. BROWN. We figured on the basis of a billion yards of goods annually. Mr. Marsten, who made the estimate, can answer that.

Mr. MARSTEN. I believe I got that estimate from Mr. Hance.

Mr. DEWALT. Did that billion yards include the yards of silk, or only woolen?

Mr. BROWN. That included the yardage of goods that contained wool, anything of that kind, that contained wool in any quantity.

Mr. DEWALT. That contained wool in any quantity?

Mr. BROWN. Yes.

Mr. DEWALT. Then it would not apply to the manufacture of silk goods, as I understand it.

Mr. BROWN. No, but I understand that all silk goods are to be marked, too.

Mr. DEWALT. These bills do not require that, according to the testimony of Mr. Channing, who manufactures silk.

Mr. BROWN. I would like to say one word regarding Mr. Clark's statement as to the amount of business we have on hand and the time it would take to get that out. That is quite true, but we had planned if this thing went through to take a certain storehouse which we have and make them into a factory and start intensive production. It would be up to us to produce the machines.

Mr. WINSLOW. How many employees do you have in that department of your work?

Mr. BROWN. We have not a separate department. That machinery is built in conjunction with our other textile machinery.

Mr. WINSLOW. Could you give me an estimate of the number of men employed in the production of those machines now?

Mr. BROWN. Oh, I should say, not over 10 men.

Mr. WINSLOW. And you build your own machines for constructing these?

Mr. BROWN. No.

Mr. WINSLOW. Where would you expect to get them in six months?

Mr. BROWN. I think we have ample machinery.

Mr. WINSLOW. How many men do you think you would have to employ so as to increase that output to 1,500 in six months?

Mr. BROWN. We planned on putting on a night force. We are now running somewhere around 125 men, and we would put on a night force, and do whatever was necessary.

Mr. WINSLOW. Then the cost of labor would increase?

Mr. BROWN. It would increase the cost of labor, but that would not be a factor if we could build these machines all of one type and turn them out in large lots. That is the way that machinery can be built cheaply.

Mr. WINSLOW. You think by the average of multiplication of product it would more than offset the increased cost of labor?

Mr. BROWN. It would more than offset the increased cost of labor.

Mr. WINSLOW. Do you think with five additional men you could build 1,500 of these machines in six months?

Mr. BROWN. No; I should say it would take from 40 to 50. We are in a manufacturing town and can get the additional men needed.

Mr. WINSLOW. My experience has been that in manufacturing towns there is less chance of getting them.

The CHAIRMAN. What would be the average cost per yard for marking?

Mr. BROWN. Why, so far as the Parks & Woolson Machine Co. is concerned, it would be first the cost of the machine, and then a very small cost of maintenance, which would not amount to anything. For maintenance it takes a little electricity to heat the iron, and it takes the usual lubricants, and the only expense is the Kaumagraph expense. Mr. Marsten can tell you about that.

The CHAIRMAN. Very well. Dr. Alsberg, Chief of the Bureau of Chemistry, of the Department of Agriculture, is here, and we will hear him now as he is leaving for Chicago on the afternoon train.

STATEMENT OF DR. CARL L. ALSBERG.

The CHAIRMAN. Doctor, state your name, occupation, and address for the record.

Dr. ALSBERG. Carl L. Alsberg, Chief of the Bureau of Chemistry, Department of Agriculture; 216 Thirteenth Street SW., Washington, D. C. Mr. Chairman, I received a telephone request to come here this morning. I do not quite know what you gentlemen wish of me, and perhaps, if you will ask me some questions, that will be the best way of getting at what you desire.

The CHAIRMAN. Doctor, you are familiar in a general way with the bills pending?

Dr. ALSBERG. I have just read them this morning, that is, the French bill and the Rogers bill.

The CHAIRMAN. Yes, and we have also the Barkley bill, which is based on the pure food and drugs act.

Dr. ALSBERG. I do not think that I have read that.

The CHAIRMAN. That is the misbranding bill.

Dr. ALSBERG. It applies to all commodities?

The CHAIRMAN. Yes. The French bill applies almost entirely to woollens.

Dr. ALSBERG. Almost entirely to woollens?

The CHAIRMAN. The question the committee would be interested in would be along the line of your work, seeking to ascertain through chemical analysis or such other processes as are employed by you the character of the woolen fibers or staples that are used in woolen clothes, and the ability to detect reworked wool from virgin wool. Any testimony along that line would be valuable to the committee.

Dr. ALSBERG. Perhaps I have come up here under a misapprehension. Our bureau has not during the last few years done a great deal of work on the chemistry textiles. We do a great deal of work on leather and paper and other agricultural products. We do, of course, a good deal of microscopic work on textiles and the detection of shoddy—that is to say, used wool as distinguished from virgin wool or wool that has never before been used—is to a large extent accomplished by the use of the microscope. You detect the shoddy by the difference in the appearance of the fiber. There is a certain loss of scales that you see under the microscope as the

result of wear that distinguishes shoddy from new wool. Of course, it is often a relatively easy matter to detect the presence of shoddy. It is a rather difficult matter to tell quantitatively in a given fabric with exactness how much of it is shoddy and how much of it is new wool. It is hard to give figures in a general way because they will vary somewhat with the material, the cloth, and the conditions under which you work. In that connection, Mr. Chairman, would it be out of place for me to indicate some personal views with reference to dealing with this matter of fabrics based on my experience in the enforcement of the food and drugs act?

The CHAIRMAN. We should be glad to hear your views.

Dr. ALSBERG. It may be presenting a view which may have been presented here before; as to that I do not know, but it has an essential bearing on the principle on which this bill H. R. 13136, the Rogers bill, is based. I can possibly explain what I mean by going back to my personal experience in the enforcement of the food and drugs act, and taking a specific example, that of flour. Flour is an article which is now generally made by what is known as the roller process. That is where the name "Patent Flour" for the better grades of flour comes from. Now, there are a great many variations in the details of the manufacture of flour and, technically, any flour made by the roller process might be regarded as patent flour. The trade, however, has established certain usages which restrict the term patent flour to the best of the flour that can be gotten out of a given kind of grain. Now, as grain varies a great deal and as the methods of milling vary a great deal the term "patent flour" will have a different significance according to the kind of grain that is used and according to the skill of the miller and the excellence of his equipment. One mill which is equipped in the best manner and has skillful operators can obtain more flour from the same kind of wheat that would be of patent quality than another mill which is old-fashioned or unskillfully run. Hence, inasmuch as the designations of the grades of the flour is based on the process rather than the kind of flour a man gets out of the wheat, the term "patent flour" may vary to a very considerable range in its application, and you may have flours of very considerably different quality; yet they each are called and are entitled to be called "patent flour." The patent flour of one mill may be of a different grade from the patent flour of another mill, owing to the difference in wheat and the difference in the skill of the milling.

Now, it all comes back to this, that the grading of flour, being based on the materials and the process of manufacture, is in a very unsatisfactory condition. It is not based on the inherent intrinsic qualities of the flour that is produced. The consumer is interested not in what kind of wheat the flour is produced from, he is interested not in the process by which the flour is produced, he is interested solely in what kind of a loaf of bread that particular sample of flour will bake, and that is all he is interested in. Inasmuch as the food value of the average run of flour and of various wheats is about the same nutritional value is not a factor. Now, if we had a grading system of flour which was based on the performance of that flour in baking, we would have a rational basis which would put all manufacturers on the same basis and which would enable the skillful miller to capitalize his skill to greater advantage than he is in position to do at

present. With this thought, I think that one of the difficulties in the plans that are proposed in this textile bill here becomes clear. It is that it is based on considerations of the raw materials out of which the cloth is made, on considerations of the history of those raw materials, and on the consideration of the process of manufacture.

Now, in these things the consumer is not really fundamentally interested. I think the interests of the consumer in a cloth, or a garment made from the cloth, or a blanket, can be classified under three general heads—one is an aesthetic consideration, the appearance, which is not covered in this bill, and which is not a fit subject for consideration in the bill; it is a matter of taste, whether a man likes the appearance or not. The other two considerations are, the service which the cloth or garment will give, how it will wear; and the protection that it will afford from the weather. Those are the two things in which the consumer is interested, how it will wear and the protection it will afford from the weather. The two things, of course, are closely interrelated. He is not so much interested in knowing how the manufacturer achieves a certain result in producing a cloth that will have a certain wearing quality; he is not interested in knowing how the manufacturer achieves a result in producing a cloth that will give him protection against cold. What he is after is a certain wearing quality, and the power to protect him from cold in the garment or the blanket, as the case may be. Now, whether that end is achieved by the manufacturer through one process or another, by the use of one material or another, is a thing that the consumer is really not specially interested in. I am again basing it on my experiences with reference to foods, for which we have legislation similar to that here proposed. Now, it seems to me that the great difficulties that arise in the administration of an act like this textile act are due to the fact that you are trying to reconcile the processes of manufacture, which are fundamentally technical and which very few people know anything about, with giving the consumer information that will protect him.

Now, if you tell the average consumer all about a given cloth, how it is made and what it is made from, it will mean very little to him. He does not understand it, he is not a textile expert. It may even be misleading, because it may be possible to make a superior cloth from materials which, according to the common notions of the consumer, are inferior materials. It also puts a handicap on the stimulus for the manufacturer to improve his methods to require a system of branding or labeling which will give the public all the details of information, because everything new is looked at askance, at least according to my experience with foods and drugs. The thought that I have is this, that it might be far better to establish a series of absolutely arbitrary grades of cloths—say United States Standard Grade A, United States Standard Grade B, or whatever name you wish to give them, and fix absolutely and arbitrarily that grade A cloth must have a certain wearing quality as determined by a rubbing test, we will say, and a folding test, which can be determined absolutely arbitrarily in consultation with the representatives of the manufacturers and consumers, and that it must have a certain arbitrary power to prevent the passage of heat or cold. You then have done the two things the consumer is interested in. When you have told him that a given garment is made of grade A cloth you have given

him very much more definite information of value to him that if you tell him it contains 10 per cent shoddy, 70 per cent new wool and 20 per cent cotton. You have also established a set of conditions which make the enforcement of a law like this immensely simpler and immensely easier to administer, and you have not created a set of conditions which will handicap progress in the methods of the manufacturer. On the contrary, you have put up a mark for the manufacturer to aim at. He will endeavor to achieve the result which is represented by "Grade A Cloth," by cheaper and better processes. Competition will then take care of the consumer as the benefit of that is ultimately passed to the consumer. That is my idea of a system of legislation for materials like textiles, a system that I think would be easier to enforce, would give greater protection to the consumer and be easier for the manufacturer to live under, than the system which is proposed in this particular bill. I would also suggest that at the same time such textile legislation be combined with provisions against misbranding so that the man who said that a garment was made of grade A cloth—assuming that that is what it was to be called—if he choose to say that it was new wool would be prosecuted if he lied in making the statement, and if he stated that a garment contained no cotton he would be prosecuted if that was a lie. I am inclined to think that legislation of that type would give the consumer more protection than could be given in other ways that I have seen suggested. It would be easier, cheaper, and simpler for the Government to enforce and would give the manufacturer a stimulus to improve his methods and not sit still.

My further thought on this legislation, Mr. Chairman, is that in such general misbranding legislation as is proposed in the Rogers bill—I have been talking hitherto about legislation of the French bill type—there is a danger from the purely administrative standpoint. Who, or what departments of the Government have jurisdiction in the fields in which there is the possibility of confusion? I am thinking that the gradation from food, for example—taking my own field of work—to general merchandise, is not always entirely clear. Take canned goods—what goes into the can clearly comes under the jurisdiction of the food and drugs act; but if a man should use a can that is coated with an alloy of lead and tin, for example—it is not now being done—this lead will contaminate the food, and you get a double jurisdiction. The Bureau of Standards would have jurisdiction over tinplate according to this bill, but the Bureau of Chemistry has jurisdiction over food that was sold in cans. It seems to me it should be carefully considered by the committee whether it is wise to make sure beyond possibility of doubt that there will not be double jurisdiction over certain types of products. The Department of Agriculture, for instance, is interested in the production of hides and leather, these being agricultural products. This bill would give the Bureau of Standards jurisdiction over hides all the way down to the finished shoe or the leather bag. There are possibilities of duplication, and crossed and double jurisdiction there. The same thing, of course, applies to cotton. There is a law, the cotton grades act, that the Department of Agriculture administers. The same thing might apply to a number of other products. It might apply to products over which the Bureau of Mines at present has jurisdiction. I am thinking, for instance, of explosives, which are articles of commerce, on

which the Bureau of Mines has done an immense amount of work. There is the possibility of confusion and double jurisdiction, and I would very strongly urge on your committee to consider very carefully the framing of these bills in such manner that each one of us who has certain specific functions to perform will know just exactly what he should do and what he should not do, in order to avoid having two or three organizations working on the same subject.

There is another point in this bill of Mr. Rogers to which I wish to draw your attention. I have not had the time to study the bill as carefully as I would like. I only saw it this morning. The point to which I wish to call your attention has reference to the exemption from the act of goods that are exported. That exemption is entirely too general. According to that exemption, the article, as I read it, is quite free from any restriction—if it does not bear a false trademark or label or brand or device. This act, of course, is modeled on the food and drugs act, and the more I have to do with the food and drugs act the more I am convinced that it is an exceedingly wise and excellently drawn law. However, the provision under the food and drugs act for export differs somewhat from this provision—it exempts goods intended for export only if they have been specifically prepared on the specifications of the foreign purchaser. In other words, the man who puts out in the United States adulterated foods or drugs can not ship them; he can not get out from under the jurisdiction of the food and drugs act by shipping them to a foreign country. We have cases very frequently in which shipments of goods have been libeled under the food and drugs act as being adulterated or misbranded, and the owner of the goods makes the proposition to the Department of Justice that the matter be dropped provided he exports the goods. Now, under our act, that is not permissible if the goods are adulterated or misbranded. According to our law they can only be exported if they have been prepared specially on specifications of the foreign buyer. If you have not that provision you are always going to be faced with the possibility that something will be put over on the foreign buyer. Now, you may not care about protecting him so much, but I think it is wise for our foreign commerce that we do not put anything over on the foreign buyer. I think that it is self-evident that such provision is to the best interests of American trade.

MR. BARKLEY. In that connection will you permit me to ask you a question?

DR. ALSBERG. Certainly.

MR. BARKLEY. Your attention has probably not been called to H. R. 2855, which I have been introducing for several years. I want to get your opinion as to where this meets with your objection. In section 2 there is this proviso, which reads in part:

Provided, however, That no article shall be deemed misbranded within the meaning of this act when intended for exportation to any foreign country, and when prepared, marked, or packed according to the specifications of directions of the foreign purchaser.

DR. ALSBERG. That covers my point exactly. That parallels the language that we have in the food and drugs act, which, in my judgment, has worked out very well. I think that covers it perfectly.

THE CHAIRMAN. I think it is the identical language.

DR. ALSBERG. I think it is the identical language of the food and drugs act.

THE CHAIRMAN. Yes.

Dr. ALSBERG. Yes; that is my impression. I think that covers my suggestion completely, sir.

Mr. SIMS. Now, how is it that you did not get this Barkley bill as that you could study it?

Dr. ALSBERG. There is no special reason, excepting that I am fairly busy, and none of those bills are drawn so as to affect the Bureau of Chemistry particularly.

Mr. BARKLEY. I will say this, that the bills introduced by Mr. Rogers and myself are very similar, with some slight differences, but in principle they are about the same.

Mr. SIMS. I thought they were about the same; I did not know.

Dr. ALSBERG. The only reason I happened to look over the Rogers bill was that a man came into my office some time ago and drew my attention to it. There is no reason why I should not have read the other bill, but they did not seem to affect the bureau particularly and the clerk in the bureau, among whose duties is to bring these things to my attention, did not bring them to me.

Mr. SIMS. The Barkley bill has been before the country so long that we all have a general idea of it.

Mr. BARKLEY. While you are on the subject of misbranding, section 6 of this bill (H. R. 2855) undertakes to define what misbranding is.

Dr. ALSBERG. That raises another point that I meant to raise. These bills here, as I recall it—as I say, I did not read them carefully—do not define misbranding very carefully, and that is very desirable.

Mr. BARKLEY. Will you allow me to read to you the definition of this bill, to see what you think of its adequacy:

SEC. 6. For the purpose of this act an article shall be deemed to be first, if it be an imitation of, and offered for sale under the name of, a second, if the contents of the package, as originally put up, shall be in whole or in part and other contents shall have been placed in package form, and the contents are stated in terms of weight, count, or quality, they are not plainly and correctly stated on the package; fourth, if there is stamped, stenciled, branded, engraved, or otherwise marked upon such article or commodity, or upon any other appendage attached thereto, or upon any box, barrel, package, or other receptacle, inclosing or incasing the same, any word, design, device, or indication which is false, fraudulent, deceptive, as to its weight, measure, or numerical count, or as to the State, Territory, or country in which it is manufactured or produced, as to the substances of which it is composed, as to the mode of its manufacture, being the subject of an existing patent or copyright, as to the name of the product, or merchandise of any person other than the manufacturer of the product, or merchandise it is in fact, or which might be calculated to indicate that the article or commodity is of a quality superior to, or otherwise different from its real character, or which, in any manner, thereto the name or initials of any person in a deceptive manner, or which is false, misleading, or otherwise deceptive; fifth, or if there is published, issued, or otherwise disseminated in any manner pertaining to said article, in any newspaper, magazine, or other publication or advertisement, any word, or other deceptive word, statement, representation, or thing stipulated in the foregoing.

Dr. ALSBERG. That is a good definition in the food and drugs bills. It is admirable, particularly the statements made in the

ever, one question to be considered in that connection—I am not a lawyer, so I merely bring it to your attention. We considered this question of false advertising in connection with the food and drugs act a number of times, and it was considered by the Solicitor of the Department from time to time. The question I want to raise for your consideration—I am not competent to pass or advise on it—I take it that your bill, sir, applies to goods in interstate commerce.

Mr. BARKLEY. Yes.

Dr. ALSBERG. Based on interstate commerce laws. The question, then, is this: Who is responsible in the case of a newspaper where the manufacturer or his agent presents a false advertisement to the newspaper? The act of uttering the false advertising is on the newspaper technically. Is a case of that kind adequately covered with that phraseology? I do not know. The medium that puts the false advertising into interstate commerce, of course, is the newspaper.

Mr. BARKLEY. Yes; but this law does not attempt to punish newspapers for going through the mails if they have in them false advertising. It is a prescription intended to indicate what is misbranding if the article represented in the newspaper does not comply with the description. The action would be against the person who either misbranded or transported interstate commerce or sold anything contrary to the article. In the case of a false description in an advertisement in any newspaper or in any circular, I do not think the punishment in that case would be directed against the newspaper, but to the one who is actually responsible for the misbranding.

Dr. ALSBERG. I see. Then there is another point worthy of consideration, it is a definition of "imitation." We have none in the food and drugs act. We have not yet had any food and drugs decisions of the courts as to the meaning of the term "imitation." Wherein is a thing an imitation? What must an article be to be an imitation? Is it a thing that purports to be a given article and does not really resemble it? Is it an article that is superior intrinsically but of less market value than another article; is that an imitation? There are such cases frequently, which raises another point which I wish to bring to your attention—

Mr. BARKLEY (interposing). Does that question come under this language: If it is an imitation of and is offered for sale under the name of another article.

Dr. ALSBERG. Well, we have had a decision of the court under that language, under the food and drug act, the Weeks case—I do not carry the proper citation of it in my memory, but I can furnish it if you wish—that those two phases, "In imitation of" or "offered for sale as another article," mean entirely different things. That case was like this: The Weeks Company—I have forgotten the exact name of the firm—put out an article labeled "Special Lemon," which was represented by their salesman as lemon oil, when in fact it was an imitation. The matter went up to the Supreme Court, the Government having shown that the salesman of this company had represented the product to the grocer to whom it was sold as lemon oil, and the Supreme Court, as I recall it, held that the phrase "offered for sale under the distinctive name of another article" had to be construed by itself and apart from the phrase "an imitation of another article." It was of course a very fundamental decision for us and

enables us to combat many frauds under the food and drugs act that we were not able to deal with before we got that decision.

Mr. BARKLEY. Do you recall whether the language of the food and drugs act is, "If it is an imitation and is offered for sale under the name of another article"?

Dr. ALSBERG. I do not remember absolutely, but my impression is that that is about the way it is worded.

Mr. SIMS. An error there would make a good deal of difference.

Dr. ALSBERG. I think it is "or," and the Supreme Court distinguishes between those two phases—if it is offered for sale.

Mr. SIMS. If it is an imitation and is offered for sale, then the "imitation" and the "offered for sale" must go together.

Dr. ALSBERG. Exactly. Still, I offer for your consideration the advisability of defining an imitation. I also offer for your consideration, whether or not you care to deal with a situation which has caused a good deal of concern under the food and drugs act—the sale of a perfectly ordinary common article, an article which is generally known has a common name, is widely used—under a fanciful name. I have in mind such things as—let me see—various types of oils—edible oils, Wesson oil, Douglas oil, and others. A good grade of cottonseed oil is sold under such un descriptive names or fanciful names. Corn oil and peanut oil are also sold under fanciful names. Peanut oil is a perfectly good edible oil, and there are other perfectly good edible oils sold under fanciful names. A very ordinary and common article, such as these oils, advertised on a tremendous national scale is frequently sold under a fanciful name which acquires a secondary meaning. The concern establishes a business at a high price very frequently on the basis of that fanciful name by concealing the real nature of the article. That is a situation which is growing tremendously in commerce and it applies to all kinds of articles. You see advertisements like this, "Ask for so and so," giving the brand name. "Do not ask for bread, or do not ask for a safety razor, but ask for so and so." Do not ask for this, ask for so and so. Of course, when you are dealing with mechanical devices, no two the same, you have a different situation. If I have been asked once I presume I have been asked dozens of times, what is Wesson Oil, what is Douglas Oil. That is a situation that you haven't covered, perhaps you do not want to cover it. I may have the wrong view as to what is to be done with reference to it.

Mr. SIMS. In that connection, then, your idea is to attempt by the language of the law to define imitation?

Dr. ALSBERG. I think I would define imitation, and I at least offer it for your consideration—defining imitation.

Mr. SIMS. And you think some of the decisions under the food and drugs act would be helpful in that direction? Would you be in position to submit any in writing such as define imitation?

Dr. ALSBERG. I would be glad to submit some suggestions, but the subject is very difficult. I do not know what sort of a hash I will make of it.

Mr. SIMS. I think you are experienced enough.

Dr. ALSBERG. I can do it for food. I could give you a memorandum giving you what principles I think should apply at least for food, that is, principles that I think should apply to the whole situation.

Mr. SIMS. Let me ask you in connection with this subject of jurisdiction, to enforce and to make regulations under any law that may be enacted. In this bill it provides "That nothing in this act shall be construed to repeal, amend, or affect the provisions of the act known as the food and drug act of June 30, 1906, or the act known as the insecticide act of 1910." Of course, the object of that is to prevent interfering with your jurisdiction in the administration of those acts. Now, in this bill the Bureau of Standards is given jurisdiction to make all decisions, to determine whether or not there has been a misbranding. I can appreciate that there might be some commodities where your Bureau of Chemistry might be in better position to make decisions, or in a position to make better decisions, but I would like to get your idea as to whether the subjects that are not intended to be covered in this law, referring to the subjects now under the jurisdiction of the food and drug act—whether your bureau or the Bureau of Standards is in better position to make the decisions, or whether there should be a joint jurisdiction.

Dr. ALSBERG. Well, I am not now speaking for the Bureau of Chemistry, I am speaking for the Department of Agriculture. I think there is a certain advantage in giving jurisdiction over certain lines to a bureau that is in touch with the producer as well as with the consumer. That is why it is wise to give the Bureau of Standards jurisdiction over a great many lines of articles. The department that is not in contact with the producing end is always running the risk of not understanding the equities of both parties. Therefore, it is my personal judgment, and I am speaking for myself, and not for the Secretary of Agriculture or anybody else in the department, that there are certain groups of articles which are the product of agriculture that may be handled more efficiently in the Department of Agriculture. I am not speaking for the Bureau of Chemistry from that standpoint.

Mr. SIMS. It would be manifest where the law differentiated as to these particular commodities that you have referred to as being agricultural, where the power is given to make regulations covering the administration of the law, the power should also be given to make regulations covering the Bureau of Chemistry and the Bureau of Standards.

Dr. ALSBERG. I would make it the Department of Agriculture, rather than the two bureaus, because there are, for instance, certain products made from wood that the Forest Service would unquestionably be the most competent to handle.

Mr. SIMS. You take the three, the Department of Commerce, the Department of Agriculture, and the Forestry Service—

Dr. ALSBERG (interposing). I think it wise to separate those three jurisdictions, to divide the field in the interest of the producer and the consumer. I would strongly recommend that the Secretaries of the Interior, the Treasury, Agriculture, and Commerce be given very clear and specific authority to divide the field so as to secure the greatest efficiency and avoid the duplication of existing organizations.

Mr. SIMS. Would you also have a law excluding this cotton-goods act, just as the food-and-drugs act is excluded?

Dr. ALSBERG. Well, sir, that, now, I am not competent to pass judgment on, because that lies away out of my knowledge.

Mr. SIMS. I thought you said in the beginning that your department had jurisdiction in making decisions.

Dr. ALSBERG. The Department of Agriculture.

Mr. BARKLEY. Do you think that any measure similar to the Rogers bill and the bill I have introduced is workable and enforceable?

Dr. ALSBERG. Yes, I think it is. I think it is very desirable. I think, of course, you want to be able to get all abuses at all times controlled. You can not draw up a law, however, that will meet every situation. Somebody has said in connection with the food-and-drugs act that the food manufacturer's chemist is always about three years ahead of the official chemist, which is true, because that is his sole job. Where the job is to cover the whole field we sometimes run into an abuse that has extended over four or five years before we hear anything about it. There is one other point in the misbranding provisions that I would like to suggest. May I ask you to read the language about an article being represented as being superior, as being a superior article? There are two very distinct conceptions there.

Mr. BARKLEY (reads):

Or which indicates or is designed, intended, or calculated to indicate that the article or commodity is of a character or quality superior to or otherwise different from its real character of quality.

Dr. ALSBERG. Well, now, that raises a question which has puzzled us a whole lot in the food-and-drugs act, and that is, what the word "superior" means. Does it mean that it will bring more money to the maker? Does it have superior commercial value, or is it intrinsically superior? Those are two very different conceptions. Let me illustrate how this came up only the other day. The price of Michigan beans and other beans since the beginning of the war has been high. Navy beans used to sell around \$3 a bushel, and if a farmer got \$3.50 a bushel before the war he was doing pretty well. Red kidney beans cost a little more. To-day red kidney beans are selling for somewhere around \$12 a hundred pounds, and, naturally, dealers in beans and packers of beans have been scouring the world for beans that will be suitable for the American public and cost less. They have had scores of varieties of new beans imported into the United States that have never been seen here before. Among them is a bean brought from Manchuria and Japan, which is known in this country as the mottled long cranberry bean. It can be laid down in Chicago for something in the neighborhood of \$7 a hundred pounds. When it is cooked up if you do not look at it very closely, the mottling fading, it looks very much like the genuine red kidney bean. They are sold for red kidney beans, which cost \$12 a hundred pounds. The consumer is buying the two kinds of beans for practically the same price at the present day. Somewhere between the importer and the retailer that difference between \$7 and \$12 is being absorbed. The food value, taste, and everything else are very similar. Now, are we to say that the long cranberry bean, the one imported from Manchuria and Japan, is misbranded because it is represented as superior? Probably the superiority of the red kidney bean exists only in the minds of the consumers who for years have been familiar with the red kidney bean and who have this sentimental preference. Now, there are these two possible interpretations of the word "superior." Similar difficulties in interpreting the word "inferior" have caused us no end of trouble in the enforcement of the food-and-drugs act. We believe that the consumer should be informed that this is

not the genuine red kidney bean, so that he may get the benefit of the difference in price.

Mr. SIMS. Let us get away from food for a moment. Take shoes, machinery, instruments, or anything. Of course, they may be represented or misrepresented without there being any misbranding as to the contents or the actual composition of the article by representations that they will last a certain length of time, or that it is of such a character that it will be either more durable or as durable as some other article by comparison. In cases of that kind it is difficult to say that it is misbranding by misrepresentation as to its composition, but it may be misbranded or misrepresented by representations made as to its real character, durability, value, and so on, which may be independent of the price.

Dr. ALSBERG. Yes; undoubtedly.

Mr. SIMS. Cases of that kind are what we had in mind in framing that language.

Dr. ALSBERG. Well, I am not a lawyer, and it may be that you covered that point.

Mr. SIMS. We would be very glad to have any suggestions from you and would appreciate them.

Dr. ALSBERG. You see what I mean, superiority in market value. It may not mean intrinsically superior.

Mr. SIMS. Ordinarily a consumer purchases an article on the representation that it is superior. His notion of superiority is not based upon or necessarily connected with the price, is it? A man goes into a store and is shown a label on a piece of goods or is told that this is superior to something else, or that its character is such as to be durable, or perhaps is told how durable it is. He looks at it, and——

Dr. ALSBERG (interposing). Well, does he look at it? The average man, if he is told "These are imported goods, and these are domestic," and the imported goods are the same price or a little more, he is very apt to buy the imported, when, as a matter of fact, in very many lines the domestic is far superior.

Mr. WINSLOW. I do not remember if you gave any opinion as to the advisability of establishing grades, even so far as conveying ideas to the public was concerned, for their enlightenment as to cloths.

Dr. ALSBERG. I meant to indicate that it was my judgment that the establishment of official grades would be far more enlightening to the public and protect the public to a far greater degree than to tell the public how a given cloth was made and what it was made out of, because there are many grades of wool and there are many grades of shoddy; and you can not go into these fine details in explaining to the public, as the public does not understand. I think that a system of grading of cloths would protect the public more and would give them better information than to tell them about the materials and the process by which a given cloth was produced. That is my judgment.

Mr. WINSLOW. Do you think there would be any great desire, or do you think it would be of any particular use to the public to have any grades made of one sort or another in view of the complications in textiles when they are woven?

Dr. ALSBERG. Well, as I tried to indicate at the beginning, I am not a textile expert, but my judgment is that there is a good deal of deception going on at the present time with reference to textiles,

as with reference to much else, and that if the public was to receive any protection at all my judgment is the establishment of grades is the best way to protect the public.

Mr. WINSLOW. I want you to go a little further, as to whether the public really stood the need of any such protection.

Dr. ALSBERG. I think so.

Mr. WINSLOW. In the way of new legislation?

Dr. ALSBERG. I think so, unless this matter can be taken care of under some existing act, for instance, the act under which the Federal Trade Commission operates. I do not know, but as the situation is at the present time it is my judgment that the public does need protection on articles of this kind.

Mr. WINSLOW. Well, now, can you give easily any reasons on which you base your opinion as to the fact that the public does need protection?

Dr. ALSBERG. Well, I can not go further than to say that in the examinations we have made for other departments of the governments of various kinds of materials, we have found that there is a great deal of misrepresentation with reference to merchandise toward the general public. That we found incidental to our work for the War Department, the Navy Department, the Post Office, and the Public Health Service in helping them draw up specifications for purchases.

Mr. WINSLOW. You think the public has been injured by virtue of—

Dr. ALSBERG (interposing). That is another question, because the way the thing works out, judging again from my experience under the food and drugs act, if one man adulterates, a line of food, or misbrands it unchecked, the forces of competition drive everybody to do the same thing finally. Competition ultimately brings the price down, and the public in the long run pays what the goods are worth. The adulterator in the end does not make any more in adulterated goods than he makes on the pure goods. That is the way in time the things adjust itself.

Mr. WINSLOW. Are you doing anything to give the public the advantage of the \$7 bean?

Dr. ALSBERG. We have libeled a large number of shipments from all the different manufacturers that we have found putting up this kind of bean, under what we believe to be misbranding, and the goods are now in the custody of the courts, about 80 different shipments, representing a great many thousand cases of beans. The manufacturers will come into court and contest our position. If they win, of course everybody will pack the long cranberry bean as red kidney beans, and there will be no red kidney beans packed. If we are upheld in our contention by the court they will have to label them correctly, and they will not be able to sell them to the public at the same price, and we hope that we will be able to pass the difference in price to the public. Under the food and drugs act those beans will have to be correctly described. If there were no food and drugs act the course of events would be that the canners of red kidney beans would be driven out of business of canning red kidney beans, except in the case of a few individuals who made a specialty of fancy goods, and everybody would can the cheaper bean. The price will

ultimately come down to the consumer. In the meantime the man who comes in first makes a killing.

The CHAIRMAN. We will adjourn now for the noon recess until 2 o'clock.

(The committee thereupon adjourned for the noon recess.)

AFTER RECESS.

The committee reconvened, pursuant to recess, at 2.15 o'clock p. m., Hon. John J. Esch (chairman) presiding.

The CHAIRMAN. The committee will come to order. There are a number of witnesses to be heard, and we will proceed as expeditiously as possible consistent with the investigation.

STATEMENT OF MR. LINCOLN CROMWELL, REPRESENTING THE MERCHANTS' ASSOCIATION OF NEW YORK.

Mr. CROMWELL. Mr. Chairman, the Merchants' Association of New York has over 6,000 members. My associate, Mr. De Berard, who is here also representing the Merchants' Association, will explain to you the great care that the Merchants' Association takes to see that any of its representations made before bodies of this kind are thoroughly representative of its membership.

I appear here entirely on the merchandising side of this bill; I mean the French bill and the Rainey bill, and I appear in opposition to their passage. It is needless for me to say that the merchants' association, which is organized to foster trade, would be cordially in favor of any bill which tended in our opinion to put American merchandising on a higher level, and if we believed that the French bill would accomplish that we should be here in support instead of in opposition to it. Not only are we convinced that it would not raise the standard of American merchandising and prevent misrepresentation and frauds but we believe it would tend to have the opposite effect. We offer two objections: We object to the bill specifically because of the language that it uses in setting up what we believe to be a novel and misleading classification of wool fibers, and we object to it on principle because it attacks the question of misrepresentation of merchandise from the wrong angle. We believe that the Barkley bill or the Rogers bill approaches the question from the correct position, and we are in favor of the passage of a bill similar to either one of these bills, preferably the Rogers bill or a bill of that type which is fundamentally based upon the principles of the British merchandising marks act which has been in operation in Great Britain for 32 years without amendment. I think it is conceded that the British as a nation are the best traders in the world and what has suited their trade all over the world for 32 years is a fairly safe guide in new legislation for this country's trading here and elsewhere.

As to the classification of wool fibers, you were shown yesterday a great variety of samples of wool. You were shown that this bill qualifies fibers by two expressions. It blesses by the term "virgin wool" every kind of wool fiber that has not reached in the manufacturing process beyond the stage of yarn in the Rainey bill and beyond the stage of woven fabric in the French bill. This term, virgin wool, is to be put on tags or labels for the information of the customer at retail,

and the word "virgin" is to cover everything from a fiber so coarse that it can not safely or comfortably be worn next to the skin to the finest grades of wool used in textiles. On the other hand, the finest fibers which have been knitted or woven into perhaps the softest fabric, so that they can be easily torn apart in the clippings and garnetted and worked up into good yarns, however fine they are or close to their original length, are to be condemned by the disreputable word "shoddy," which in common parlance means something that is not what it should be or not what it seems to be, or of shady respectability, and is always a term of reproach.

In going into a retail store a woman is to be advised by this label or tag that an article contains shoddy. She, knowing nothing of the relative merits of the different forms of reworked wool, will certainly form a prejudice at once against any fabric or garment or gown marked with the word shoddy.

Opinions such as I am expressing carry more force when backed by some experience. During the entire course of the war, first in the Council of National Defense, and then as an officer of the War Department, and finally in the War Industries Board, I was responsible for securing for the United States Government its entire supply of knit goods, including all the woolen underwear, woolen stockings, puttees, woolen garments, mufflers and everything that the Government needed in that kind of clothing for the soldiers and sailors.

It was obviously of the first importance that the Government should make plain to the contractors exactly what it required in each of these purchases. It is equally obvious that the Government must make plain to its inspectors what they should look for in the garments and the fabrics furnished to the Government to insure proper delivery under the terms of the contract with the Government.

You will see at once how absolutely silly it would have been if in our specifications we had simply said about the raw material that it should contain "virgin wool." It would have meant nothing at all to the manufacturer or to the inspector. These inspectors were men of some textile sense, and yet "virgin wool" would have meant nothing at all to them. The distinction between shoddy and virgin wool will mean nothing at all to the woman in the retail store. Exact specifications were written for each of the Government articles in which the raw material was defined beyond the shadow of a doubt as to the grade of wool, the condition of the wool, and exactly how it was to be handled. Specifications for Government fabrics in very carefully chosen words will take two or three paragraphs of probably 9 or 10 lines each in newspaper type; a third of a column in newspaper, fine print, would be required to print the Government specifications for the Army overcoats or even for the woolen undershirts. Now, if it takes all of that space without a superfluous word to give the information necessary to the manufacturer to know what is wanted and to give to the Government inspector the information needed to check up the product of the manufacturer, how much information is the consumer in the retail store going to get from the mere tag that says this cloth contains 80 per cent of virgin wool and 10 per cent shoddy and 10 per cent cotton. It will mean or should mean nothing at all, and as merchants we say it is much more dangerous to give a little information without giving all of the essential information than to give none at all. You are simply in this bill giving a half truth,

not even a half truth, not one-hundredth of the truth, and you are actually giving a sense of false security to the consumer, which is worse than nothing, absolutely worse than relying upon the reputation of the dealer or the reputation of the manufacturer. We believe that it is an obnoxious principle to embody in legislation, and especially by the wording that is used in this bill.

The term "virgin wool," if the Government buyers had used it, would have allowed manufacturers to deliver underwear such as the Canadian Government furnished its soldiers at the beginning of the war. It was all made of virgin wool. But it was wool so coarse that a man could not wear it. The British Quartermaster General told me that their men by the thousands in the dead of winter in France tore off that underwear. An orderly told me he had seen them do it any number of times; men suffering with cold who could not stand this coarse stuff on them. Even in Canada they had to stop buying such coarse underwear.

Now, I want to approach this from another angle of experience. Two or three years ago—

Mr. DEWALT (interposing). In your specifications for the underwear for our troops, did you incorporate any shoddy?

Mr. CROMWELL. No; it was excluded from all knit goods except the puttees, where it was put in in order to help use up the clips from the uniforms.

Mr. DEWALT. What did you specify or enumerate as to wool?

Mr. CROMWELL. That the wool should not be of lower grade than half blood.

Mr. DEWALT. Will you explain, please, what is meant by half blood?

Mr. CROMWELL. Half blood is a grade of wool that can only be demonstrated by showing samples. It is a fine wool. The trade term "fine wool" is better than "half-blood" wool. It is a very nice wool of a kind grown largely here and was imported very largely from Australia. It was a wool of which we could get a large supply and was an ideal wool for that purpose.

Mr. DEWALT. Is the term used with reference to the breeding of sheep?

Mr. CROMWELL. I think not. At any rate, a wool dealer would grade it as half-blood wool on the fineness of the fiber, without reference to the kind of sheep. It is a well-known term.

Mr. JONES. A gentleman introduced yesterday some reference to it. I think it was Mr. Clark.

Mr. CLARK. Most of those samples I showed yesterday were fine samples, 1 to 1-A, and better than half blood. There was no sample there that was of the half-blood grade. Wools are graded, as Mr. Cromwell says, half blood, going below that, three-eighths, and one-quarter, and then above half blood, double X, triple X, with more gradations.

Mr. JONES. You have one sample marked one-quarter. Is that one-quarter blood?

Mr. CLARK. That was a cotton sample.

Mr. JONES. I thought it was wool.

Mr. CROMWELL. The Canadian underwear was made of about a quarter-blood wool.

Mr. DEWALT. Speaking again of the reference to virgin wool; if you know, can you tell us why the Government specified virgin wool?

Mr. CROMWELL. The Government did not specify that.

Mr. DEWALT. Not virgin wool, but half blood.

Mr. CROMWELL. Of course. I drew the specifications myself, and knew that half-blood straight wool would make the very best underwear.

Mr. DEWALT. Why the exclusion of the shoddy?

Mr. CROMWELL. Shoddy was excluded for various reasons. The first reason was the difficulty that it would have put upon the inspectors. The second reason was that it was not necessary to use reworked wool in the underwear for the Government, so we reserved all of it for civilian use, and it made exceedingly good underwear, composed half of Government clips and half of straight cotton. It would have complicated the Government problem very greatly if we had allowed any of those clips to be used in the Army knit goods.

Mr. CLARK. Explain that the material from the Government clips would be shoddy.

Mr. DEWALT. Whether reworked or not, it would be shoddy.

Mr. CLARK. Shoddy would be reworked wool from Government clips.

Mr. CROMWELL. I want to approach this from another angle of experience. About three years ago the proprietor of a Washington dry goods store, in this city, was indicted criminally for fraudulent dealing, claiming that he had falsely advertised some underwear. His defense was that he had used in his advertisements only the words which were on the labels of the underwear which was sold, and on that defense he was acquitted. Thereupon the Fair Trade League took the matter up with the Federal Trade Commission and moved to have the whole matter of underwear and hosiery labels looked into. The National Association of Knit Goods Manufacturers, being most anxious to put their house in order, and to avoid any suspicion that its members were deceiving the public, appointed a committee, of which I was made the chairman, to look into the entire matter of labeling. Underwear and hosiery are sold in boxes and the boxes must have labels. So here was a case where labels, not on the garments but on the boxes, was the universal practice, and it was not a question of whether we would have any labels but how those labels should be worded.

We looked into the entire matter. We found that some of the labels were plainly misleading. The labels which were in the shadow zone, however, were labels on which were used words which were clearly understood in the trade and the industry, but might very easily convey a different meaning to the consumer.

With the British merchandise marks principle in mind, we made a report to the association which was unanimously accepted, and afterwards accepted by the National Association of Dry Goods Wholesalers, and approved, I think, unanimously by the trade papers. Instead of describing definite labeling that should be done we prescribed the labeling that should not be done, with a view to preventing fraud. Instead of dictating to the manufacturer how he should label his stockings he was left free to put them in a box simply marked "stockings, size 10." He could put up undershirts and say merely "undershirts, size 42." We did not tell him that he must

label it wool or part wool or anything of that kind, and we believed that in the method we took we served the best interests of the trade and the best interests of the public. Both were equally in our mind. But we said that when a man put the word "wool" on the label of underwear or hosiery it must be all wool. Where he said it was silk underwear or silk hosiery, it must be all silk; that if a coat contained silk and wool and cotton, he must say silk and wool and cotton; he could not use simply the name of the better material. The trouble in Washington with the dealer I have referred to was that the underwear had Australian wool in it, but it contained only a small percentage of Australian wool and a very large percentage of cotton and some inferior grades of wool.

So the principle of the Rogers bill or of the Barkley bill was exactly the principle which was adopted in our report. It was accepted by the Federal Trade Commission and made the basis of an order which resulted from a perfectly friendly proceeding between underwear manufacturers and the Trade Commission. This order is in universal operation to-day in the hosiery and underwear industry.

I think that we have successfully met it from the point of view of this Barkley bill or the Rogers bill. We hope that these bills, one or the other, or something that grows out of them, will be adopted, because we believe there is need for such legislation.

I think there is a very greatly exaggerated idea of the fraud that goes on. Such as there is, is not fraud of the kind that comes much from labeling. There are many other ways of misrepresenting merchandise, as to the quantity, as to who made it, as to the sources that it came from, such as pretended fire or bankruptcy sales. One of the things we found wrong was the use of words which suggested that the material came from a country where they did not come from. For instance, the word "Egyptian" has been used to describe American cotton stained a yellowish tint in imitation of genuine Egyptian cotton. Hereafter the underwear and hosiery labels must say "Egyptian color" if the cotton used is not genuine Egyptian. No matter how much general information that the manufacturer puts upon the labels or upon the tags it can not completely describe the fabric or the garment specifically as it would leave out one of the most important elements of manufacturing and that is the human element. That is the element which means the skill, the care, and the integrity of the manufacturer. You can no more get a good dependable fabric out of a mill by merely putting into its hopper good material than you can be sure of a good dinner by putting good food into the kitchen and being indifferent to whether it is prepared by the cook or by the furnace man. It makes all the difference in the world who puts those materials into the fabric or into the garment.

During the war we sent uniform specifications to dozens and scores and hundreds of clothing manufacturers. Uniforms that came from one mill would be all accepted, absolutely perfect. Uniforms from other mills made on the same specifications, while technically right, would be rejected simply because they could not be worn. There was one manufacturer with large contracts, whose deliveries were so unreliable and rejected in such enormous percentage that he actually had the nerve to put up a refinishing factory just outside of the Government depot where the goods were accepted, to save himself the cartage and freight expense of going back to his

factory where the goods were made. He had them refinished there by the thousands. And yet all these uniforms were made up from the same specifications, and under a bill like this French bill they would all have on them identical tags. All of them were from the same material, which was furnished by the Government in each case. Every material that went into these uniforms was furnished to these men by the Government, but the contractor referred to showed a callous lack of care and indifference in making up his uniforms.

So we believe that no tag and no label can give the consumer anything but a half truth or set up anything more than a false sense of security, which is wrong, and it is in exactly that atmosphere of misrepresentation that frauds are practiced by unscrupulous dealers.

Mr. DEWALT. You say that in spite of the fact that these specifications, as outlined by the Government, were given to scores of manufacturers, that the product received from different ones varied so much that some of them could be accepted and others totally rejected. That is a fact, is it?

Mr. CROMWELL. Yes.

Mr. DEWALT. That is a fact?

Mr. CROMWELL. Not could be, but were rejected.

Mr. DEWALT. That being so, how does it comport with the idea of Dr. Alsberg that he gave us this morning as to the practicability of establishing a standard by the Government, which standard is communicated to the different manufacturers, and then have the manufacturers produce with their manufacturing processes and then mark the goods "standard A," "standard B"? How would that, in your judgment, work out, according to your experience?

Mr. CROMWELL. I think it would not work. I discussed that matter with Dr. Alsberg. I think he qualified as a food expert and not as a textile expert. I think he said that textiles practically did not come under his inspection in his work.

Mr. DEWALT. Will you give us your reasons why you think it would not work out?

Mr. CROMWELL. I think that the kinds or varieties of fabrics are so complicated that if different standards as he suggested the Government adopt, standard A, standard B, were adopted, there would have to be as many standards as there are types of fabrics in the specifications. I do not know how they would do it for underwear or hosiery. You would have so many different standards of everything. I think it would not work in the retail-goods store, for one store could show the goods and say to the customer, these are A and another B, and another C. It would mean little to the customer as to what actually entered into A, B, or C.

Mr. DEWALT. I do not quite follow you there. The standard, if established by the Government, would compel, or at least place the duty upon the manufacturer to have a product which met that standard requirement. Then, when he marked the goods "standard A," and the Government having adopted certain specifications that were standard, it would be knowledge communicated to the consumer that the goods sold were of a requisite quality as to durability and as to preservation of the body from the inclemency of the weather, etc., as outlined by Dr. Alsberg. So that I scarcely follow you in the conclusion, because we have too many standards; it would be confusing.

But I will ask you a plain question. Do you think that the establishment of standards by the Government and the duty imposed upon the manufacturers to comply with those standards would be equally as good as the provisions of the Barkley bill or the Rogers bill, or not as good?

Mr. CROMWELL. Not as good. I think that the establishment of those standards would be a matter of extreme difficulty. I think standards would vary from time to time. At the time of strikes or great labor scarcity it is impossible to keep up the grade of finish and of manufacturing as it is in normal times when they have got a regular equipment, regular organization of people who have been doing the same thing for years. When you have got to reorganize a mill after a shutdown or after it has been stripped of its best hands by the war, you have a different standard of merchandise coming through than you had before. Any of those standards would have to take into effect and consideration the skill and care, the speed that is used in the mill, whether the stuff be simply blown through or worked over and over again, whether it be subjected to the most cursory inspection, or it goes through a dozen hands to see that no imperfect garment leaves the mill.

Mr. DEWALT. Is not that very fact illustrated by your experience in your activities for the War Department and the Navy Department in regard to the clothing?

Mr. CROMWELL. Yes; it is.

Mr. DEWALT. Because these scores of manufacturers might have been equally honest but their methods of manufacture or the specifications might have led to this inferiority.

Mr. CROMWELL. That is true, but the Government requirements were comparatively simple. They were few. Everybody knew them. They were made as simple as possible to get the largest supply with the least friction, and you might apply that plan to the Government specifications of a single article, but when you apply it to a great mass of fabrics made in the woolen mills or try it in the silk mills, or try it in the cotton mills, I think the scheme would be so top heavy it would not be workable.

Mr. DEWALT. If it did not work out there, it would not work out now.

Mr. CROMWELL. I think that suggestion of Dr. Alsberg is met as the goods are finally sifted through the dealers. In local communities the judgment of the consumer is finally passed upon the reputation of the dealer for fair dealing in price and in representation, and that is the best security that anybody has at retail.

Mr. BARKLEY. I did not understand Dr. Alsberg to commit himself as to rigid principles of grading.

Mr. CROMWELL. He did not.

Mr. BARKLEY. But suggested that goods going to the consumer with compulsory labeling should follow particular standards or grades wherein they could know what they were getting.

Mr. CROMWELL. That is all.

Mr. BARKLEY. I ask for information whether under the ruling of the Trade Commission it is permissible to sell underwear or hosiery containing shoddy?

Mr. CROMWELL. Yes. The question has not come up specifically. It could not be labeled wool unless it was all wool. The question as to quality of the wool or its previous history was not taken up.

Mr. BARKLEY. The question of the shoddy was not involved.

Mr. CROMWELL. The question of the reworked wool was not.

Mr. JONES. As I understood it, this merchant in the city of Washington was indicted for representing that he sold underwear as Australian wool when as a matter of fact it was not Australian wool.

Mr. CROMWELL. There was some Australian wool in it.

Mr. JONES. In some quantity.

Mr. CROMWELL. But only the word Australian was on the label.

Mr. JONES. Under what law was he indicted?

Mr. CROMWELL. He was indicted under the common law and would have been sent to prison if he had been convicted.

Mr. JONES. I was wondering if there was a law sufficient to indict him for his misrepresentation why the necessity for these other laws, such as the Rogers bill and the Barkley bill?

Mr. BARKLEY. Was he not indicted under some criminal statute of obtaining money on false pretenses?

The CHAIRMAN. The common law obtains here in the District.

Mr. CROMWELL. We are anxious to have a law that will be a Federal law, that will prevent misrepresentation.

Mr. SIMS. We never have been able to prevent wrong simply by declaring it a crime to do that wrong and then depending upon 12 or 13 men to indict and convict with the benefit of a reasonable doubt in favor of the man who is the defendant. We have never yet been able to prevent the practice of fraud by criminal prosecutions. Now, it seems to me that the way to do it is to have a practical rule or law in manufacturing goods, so that the individual purchaser can protect himself by knowing what he is buying and not being deceived or misled. Then that does not require any necessity of going to court or of any conviction or anything of that kind by simply making it possible for him to protect himself in knowing what he is buying. A man sells me a pair of hose that are not worth anything. I have not the time to prosecute him in the criminal court, and people somewhere are doing the same thing every day. You being practical men ought to know how to deal with such a condition.

Mr. CROMWELL. As I said in my previous testimony, to my mind it is impossible to give the consumer sufficient information by a label or stamp to form a reliable judgment as to the intrinsic value of any textiles shown to him, and it would take half a newspaper column to describe the material contained and the processes of manufacture, and when he had read them he would not know any better about it. I had men in these various departments, and there are a great many more such men, who could read the Government specifications and be unable to form a definite picture of how the product would come out according to the specifications. It is a highly technical matter that can not be transferred even to writing.

Mr. SIMS. Like giving a chemical content a chemical name.

Mr. CROMWELL. It is even worse than that, because you can analyze a chemical substance and a chemist can tell you exactly what it is. He can take a piece of metal and tell you what alloys are in it. But he can not take a garment of fine fabric and tell you more than the fabric content. He can not tell you the skill with which it was

made or its wearing qualities except by some rather elaborate tests and the result of his own experience as an expert.

Mr. SIMS. Unless he can have the technical information he would not be protected in that way.

Mr. CROMWELL. I think not.

Mr. SIMS. Why not protect the mass of the people who can not protect themselves by a general law making it as nearly impossible as can be to put up fraudulently an article, or in other words, put off on a purchaser an article as virgin wool that was not. I do not mean the purchaser from the factory, but I do certainly know from observation that there is more swindling in ready-made clothes than anything I know of in the nature of merchandise. Is there not some way to prevent honest people from being victimized every time they go to the store to make purchases.

Mr. CROMWELL. If there is, I think the Rogers bill or the Barkley bill would do it because I think it would put power into the hands of the district attorney or the trade associations of his competitors to bring the case of the cheat to the attention of the criminal authorities.

Mr. SIMS. You are going back to the criminal law.

Mr. CROMWELL. That is really where you should take men of that kind.

Mr. SIMS. In speaking of the Barkley bill and the Rogers bill, these bills, or bills similar to them, have been before Congress for a long time, and Mr. Barkley, as a member of this committee, introduced such a bill, and in the committee we always think of the Barkley bill as connected with the misbranding proposition, and I am heartily in favor of what the Barkley bill proposes to do, but it is not at all inconsistent to have legislation embraced by the Barkley bill and the Rogers bill combined with the French bill so as to take care of the situation that has developed in the fabrics. It can be one piece of legislation and it does not seem to me to conflict in the slightest. Why should not a man when he buys a wool hat or a fur hat get a hat made of fur or wool? I can not see why it is a hardship to control it so that a man can protect himself.

Mr. CROMWELL. I can only say for myself that I do not care what my hat is made of if it is a good hat. I do not know anything about a hat, a wool hat or a fur hat. I buy a Knox hat in New York, and if I pay \$3 or \$7 for it I shall be perfectly sure that it is a good one at the price I paid, and that is all I want.

Mr. SIMS. But there are millions of people who could not buy Knox fur hats and must buy a plain ordinary wool hat, and why should they not know it is not made in part of cotton?

Mr. CROMWELL. If I buy a \$2 or \$3 hat, I would get what I was paying for in a hat at that price. I take it that anybody will buy the best hat he can afford. That is all I can say, speaking for myself. I do not know whether hats are made of fur, wool, or what, but I want a hat that will give me service.

Mr. SIMS. A remarkable thing took place in the House of Representatives on the hat question. In the Fifty-fifth Congress, Mr. Dingley, from Maine, was the House leader, being the chairman of the Committee on Ways and Means. He was an excellent man, an able man, and always wore a silk hat. Under the practice of the House the leader of the House nearly always moves to adjourn. So we learned about the time that it would adjourn, as Mr. Dingley

would come in and put his silk hat in his desk. We had another very distinguished statesman at that time from Kansas, Mr. Jerry Simpson. One day Mr. Simpson moved over on the majority side and looked into the hat, and it was marked "Made in London." Mr. Simpson afterwards got the floor of the House and was opposing the protective tariff. As Mr. Dingley had just been the author of the protective tariff bill that passed prior to this incident. So he wanted to know why the author of protection was wearing a London-made hat, a foreign-made hat. Mr. Dingley arose and explained the matter and said it was an American-made hat and that he went into the hat store in New York and asked for an American-made silk hat, and the dealer gave him a hat and said that was an American hat. He said, why is it you have got a London label on it? The dealer said "People have got used to buying foreign-made silk hats, and there is an opinion that it is a great deal better than the American-made silk hat, so we have to label them 'London,' although made in America." This is a matter of record. It showed that the dealer, in order to sell at all, had to put a label on it which the people generally believed was what it represented. Why not label the American silk hat "American made" as well as London made or English made? Why not label the wool hat a wool hat or the fur hat a fur hat or the cotton hat a cotton hat or silk or whatever it is made of? I can not understand why there is such a fight against making known the use of material which may be used more easily for deception than by the plain truth of what the fabric is. I am no expert. All I know is what has developed before the committee this last week or two.

Mr. CROMWELL. If I might venture to reply, I think your story of the hat and your suggestion as to labeling of the wool are not parallel. I am heartily in favor, I think, of the Barkley bill, to prevent the manufacturer or the dealer in the American hat putting an English label in it. That would be fraud.

Mr. SIMS. Yes. Until that time we never knew American manufacturers were using false labels, but we found out they did.

Mr. CROMWELL. In that case the label would tell the whole truth about the source of the hat and not put an English label on an American hat.

Mr. SIMS. I support the principle of the Barkley bill. Why not supplement it with something along the same line that further protects the people from the effects of false labeling?

Mr. CROMWELL. Certainly, if you could, but you could not. You can not specify the kind of wool. You certainly can not divide the sheep from the goats, the wool from the shoddy, by the words "virgin wool" implying everything that is lovely and beautiful and desirable.

I was for two years during the war connected with the wool administration here in Washington and did not hear the words virgin wool at all until they appeared in an advertisement of a single mill in New York.

Mr. DEWALT. What concern is that?

Mr. CROMWELL. Strong, Hewatt & Co.

Mr. DEWALT. I never heard of that before. I thought all wool was virgin wool.

Mr. CROMWELL. That label was not used and never known at all, and I think it was absolutely unintelligible to dealers, until this advertising appeared.

Mr. DEWALT. You think it is a fanciful name?

Mr. CROMWELL. Absolutely so, and its general use will carry a false security to women who go into a store, as it implies the qualities of virginity, desirable and lovely, which is not necessarily so. It will cover, under this French bill, everything from the meanest, poorest stock that is clipped, from an inch long to the most desirable lengths. It will cover something so dirty and full of burrs that it will scratch a statue's back, and full of hair and gum, which no machine can take out. All that would be in the "virgin wool." My objection is that you can not, by a mere word "wool," or any word in front of the word "wool," give to the consumer a knowledge of the raw material that is in the fabric. You would not be able to tell a woman by that word "virgin wool" whether it would shrink to a child's size by washing, or be so flimsy that it would wear out before it could shrink. It would give her a false security that she had bought something so labeled which she had not got, and by imposing that false security the unscrupulous dealer would cheat her. That is why I am opposed to the French bill.

Mr. DEWALT. I am opposed to giving the unscrupulous dealer an opportunity to be more unscrupulous, as this would afford.

Mr. CROMWELL. Yes. They would hide behind the words "virgin wool."

Mr. DEWALT. As far as that is concerned, you could take the shoddy made out of cotton and call that shoddy and you could have a law that would discriminate between shoddy which has become a national necessity and a thing which we must use, and you might say first, second-hand; second-hand, and third-second hand, and so on. There must be some simple way of protecting in a general way the customers.

Mr. BARKLEY. Did I understand you came from New York?

Mr. CROMWELL. Yes.

Mr. DEWALT. Just before you go, I will ask you one personal question and that you may answer or not, as you choose. Are you connected with any prominent textiles or testifying as representing the Merchants' Association.

Mr. CROMWELL. I am both. My house is William Iselin & Co. They are mercantile bankers and represent over 300 textile manufacturers of this country, making silks, woolens, and cottons, knitting mills, and weaving mills, and I am in close touch with all sections of the industry and I think I express their views, but I am primarily here as a representative of the Merchants' Association and talking upon the effect on American merchandising of this French bill as well as the Barkley bill and the Rogers bill, and these latter we are heartily in support of, and the others we are not. Mr. de Berard, also of the Merchants' Association, will make a brief statement.

STATEMENT OF MR. FREDERICK B. DE BERARD, REPRESENTING THE MERCHANTS' ASSOCIATION OF NEW YORK.

Mr. DE BERARD. As Mr. Cromwell has gone over substantially the technical aspects of this question, I will confine my remarks to making clear the reasons for the Merchants' Association's attitude in opposition to the French bill and all the branding bills of that type and in support of either the Barkley or the Rogers bill, which are

bills that have for their purpose the prevention of misleading statements.

The Merchants' Association has for many years had for one of its important purposes the promotion of honesty and truth in merchandizing. It has taken an active part particularly in the Legislature of the State of New York in promoting bills having that purpose. It has been particularly identified with the introduction and passage of the bill to prevent misrepresentation in advertising for the express purpose of protecting the public against misrepresentations by retail dealers particularly. It has likewise taken an important part in securing amendments to the weights and measures acts in the State of New York, in which quantities and qualities and statements on labels, and so forth, enter. It has sought likewise to secure an extension of the penal laws of New York in such manner as to make oral misrepresentation more easily preventable and punishable and in general it has striven in every practical way to raise the standards of merchandizing and to protect the public. It has no specific interest, no direct interest in the textile industry. Its interests are those of all classes of merchants and of the public. It is very keenly concerned in securing legislation which will bring about that result, namely, the protection of the public. It strongly objects to legislation of such a nature as shall seriously and harmfully interfere with the ordinary and necessary courses of business. It believes that the less governmental interference there is with business processes the better, and that such legislation should only be resorted to when there is a clearly demonstrated necessity for it and an equally clear showing that the results of any projected legislation will be beneficial.

The Merchants' Association has for one of its most important committees its committee on commercial law, which comprises 26 members selected to represent the most important classes of industry, men that are experienced in trade usage and in trade customs, and that committee during a number of years, beginning specifically in 1913, has given very careful consideration to the large mass of legislation directed toward protecting the public through the medium of branding bills. In 1914 there were, if I recall right, 13 or 14 bills before Congress for the purpose of protecting the public by requiring branding in different classes of commodities—some of them comprehensive and all embracing measures directed to specific needs. The merchants' association committee at that time went into the matter very fully and very thoroughly. It held numerous hearings. It carefully examined experts in the manufacture of numerous classes of commodities; it invited the public. It invited the people who had made specific complaints as to cases and frauds and in general exercised every care as to the probable effects and results of the legislation then pending. It reached the conclusion as a result of the protracted and careful study of the subject that the principal result of all of the branding bills which were then pending would be very seriously to interfere with and possibly to disrupt important branches of manufacture, and as to the particular bills pending in the State of New York the effect of them would be to practically drive out of the State certain important lines of manufacture which could not be carried on if a single State, namely, New York, were subject to restrictions by reason of a State law which could not apply in other States.

The most important conclusion reached by our committee and which in their opinion was decisive was that the projected branding bills would not afford the public any substantial protection; that their effect would be simply to erect a misleading standard by which the public would be inclined to judge the value of the products which they sought to buy; that as regards textiles in particular a distinction based solely on the character of the fibers involved would convey no useful information that would enable the purchaser to determine for himself whether or not the fabric would have great utility or would be a desirable fabric by reason of the fact that there is such a very wide range of qualities in fibers; that the mere statement that the fabric contained only a specified fiber or a certain percentage of a specified fiber would not enable the producer to determine for himself whether the fabric was a valuable one or whether it was comparatively worthless. The further conclusion reached by the committee was as to the effect, not only upon the industry but upon the public, of the use of the word shoddy as one of the determining elements of value. The word shoddy conveys opprobrium. It is universally considered by the public to denominate a worthless product. The public has little or no knowledge of the fact that there is a wide range of shoddy; that many materials of great excellence, admirably suited for the purpose for which they are intended contain shoddy; that the cost of those materials is less than the cost of the high-grade virgin wool would be and that if the use of shoddy were discontinued and only virgin wool substituted in fabrics the public would be deluded into believing that the fabric composed entirely of virgin wool is necessarily superior to that containing shoddy; that as a result of that belief on the part of the public the average consumer would refuse to buy an article of great excellence well suited to his needs, valuable in itself, and fully worth the price asked for it, would refuse to buy such a fabric and demand a virgin-wool or pure-wool fabric of much less utility than a fabric containing shoddy.

For those reasons the effect of such branding bills thus adopted would be to inflict great harm upon the textile industry without in any way benefitting the public and enabling them to discriminate in such a way as to benefit themselves.

I allude to these matters without going into the technical side of it at all to indicate to you that the merchants' association has given very great care and study to these proposed measures from the point of view of a desire to do anything which will adequately protect the public, and its studies lead it to believe that bills like the French bill will not bring about that result.

Mr. BARKLEY. You are familiar, are you, with the operation or the effect of the British merchandise marks act in protecting the public against frauds?

Mr. DE BERARD. I would like to say that at the early stage of these inquiries the merchants association's committee, being informed of the British merchandise marks act sent to England and not only obtained copies of the British act but also copies of the preliminary reports which were made as a basis for the passage of that act and which contained the court decisions in connection with it. As a result of the studies of that act, the merchants' association caused that bill to be reprinted and made a wide distribution of it throughout the business community and has repeatedly recommended to this commit-

tee when the matter has been pending before Congress legislation based essentially upon the principles of that act. The merchants' association approved and recommended the passage of the Rogers bill, I think, in 1914, and later, the Rogers bill having failed of action by Congress, the merchants' association indorsed the Barkley bill, as it is satisfied and believes that great steps in progress will be made if Congress enacts a bill similar to either the Barkley bill or the Rogers bill.

Mr. DEWALT. When you speak of the merchants' association, of what particular branches of trade is your body composed, generally speaking?

Mr. DE BERARD. It is composed at the present time of about 6,400 firms in every branch of business, trade, and manufacture.

Mr. DEWALT. It is not confined to the textile trade?

Mr. DE BERARD. It is not confined to the textile trade and never regards any pending measure from the standpoint of simply the selfish interest of any industry that is concerned.

Mr. DEWALT. Then I understand you to be speaking generally for the interests of the mercantile association regardless of any particular trade or industry.

Mr. DE BERARD. That is correct. We are speaking simply from his standpoint of what we believe to be desirable legislation in the cause of honest merchandising and protection of the public.

Mr. BARKLEY. Are you able to put into the record the various countries outside of Great Britain and her dependencies which have adopted any laws similar to these misbranding bills to which you have referred?

Mr. DE BERARD. I am not. Our committee has made no investigation as to similar laws in other countries except in so far as regards trade-marks and patent rights, to which we have given very considerable attention, but that is under another committee, of whose action I have no immediate knowledge.

The CHAIRMAN. I think another witness will cover that ground.

Mr. DEWALT. Did not your association take any action in regard to any of the proposed measures?

Mr. DE BERARD. Our committee, as I stated, began in 1913.

Mr. DEWALT. I mean any definite action by passing resolutions or anything of that sort.

Mr. DE BERARD. Our procedure is this. Our committee makes a careful examination extending over months and occasionally over years of the specific matters with the purpose of determining whether a proposition should be indorsed and then whether or not the principles are properly carried out by pending legislation. That action was taken in 1913 to 1914, by our committee on commercial law. It was reported to our board of directors, the report was reviewed, and the report was approved and instructions were given that the merchants' association oppose these pending branding bills and support the Rogers bill. The matter has since on various occasions been brought up again, and the previous action reaffirmed, with the instructions that the association oppose the French bill and other bills and support the Rogers or the Barkley bill.

Mr. DEWALT. Is that practical unanimity or was it by a decisive majority or a strong opposing minority?

Mr. DE BERARD. It was entirely unanimous. There was no opposition whatever to the adoption of the principles of the British mer-

chandise marks act as a principle which should govern Federal legislation in this country.

The CHAIRMAN. We will hear now from Mr. Newell.

STATEMENT OF MR. P. S. NEWELL, SECRETARY OF THE ASSOCIATION OF COTTON TEXTILE MERCHANTS OF NEW YORK.

Mr. NEWELL. The French bill and the Rainey bill, known as the "Truth in fabric" bills, which are intended to cause the branding of fabrics containing wool, do not directly affect the members of the association which I represent, inasmuch as their dealings are almost entirely in fabrics made of cotton.

When these "Truth in fabric" bills were first introduced, the association appointed a special committee to investigate the subject and recommend what action should be taken by the association. The members of this committee were technical men in the sense that they were thoroughly familiar with conditions and methods of manufacturing and marketing of cotton textiles. After a careful investigation, this committee concluded:

That while the proposed legislation did not directly affect them as cotton textile merchants, it did affect them indirectly because they represent an important branch of the textile industry, and any legislation which would affect other branches of that industry, such as woolen, worsted, and silk, as drastically as the proposed French and Rainey bills; would certainly react upon the textile industry as a whole.

That the association should go on record as favoring legislation which will give to the ultimate consumer the greatest protection from fraud and deceit, and that such legislation should cover all textiles, and not woolens and worsteds only.

Therefore, in line with the recommendations of its fabric committee, the association wishes to go on record as being opposed to the French bill and the Rainey bill, and in favor of a bill substantially like the Rogers bill or the Barkley bill. In other words, the association believes that the principle of the British merchandise marks act is the one which will actually give to the ultimate consumer the protection which is the object of the proposed legislation.

That is all I wish to say in that connection.

The CHAIRMAN. We are very much obliged to you. We will hear from Mr. Lee next.

STATEMENT OF MR. RICHARD H. LEE, COUNSEL, ADVERTISING CLUBS, NEW YORK CITY.

Mr. LEE. The association of which I happen to be counsel is interested in a movement to make advertising more trustworthy and to protect reader confidence in advertising. In our movement we have the headquarters of the national body located in New York, and there are about 125 advertising clubs throughout the country in which we have approximately 100 vigilance committees who give their attention to the question of "truth in advertising."

We had a proposition, very similar to the one now before the committee, to face at the beginning of our movement to clean up advertising, which began a number of years ago. At that time

practically the same objections were raised in our movement which are now being raised to the "truth in fabric bill." The advertisers were afraid that if we went into a movement of that sort and pointed out to the public that some particular piece of advertising was unbelievable, the public would lose confidence in all advertising. The newspapers were very much afraid that in our movement we would destroy advertising space, that is, we would destroy copy which would have gone into the papers, and, of course, from a selfish standpoint, they were anxious to have their space occupied, but we found that the public was discriminating. You can go to the public with a matter of this sort and the public will understand.

In the prosecution of the Emerson Motors fraud, which was probably the most widely advertised promotion fraud ever attempted in America or any other nation, we were compelled to go into practically every American home to offset the evil influence arising from their advertising. At that time stockbrokers, who dealt in motor stocks, stated to me that they were afraid if we went into the Emerson Motors matter that the public would not be able to discriminate between the Emerson stock and legitimate motor stocks, and that in our endeavors to protect the public and to prevent their buying Emerson stock, we would destroy confidence in all motor stocks. However, we went through with the matter. The Emerson Motors Co. was prosecuted. The public was protected. The promoters were indicted, tried, and convicted, but the public understood, and confidence in motor stocks generally was not disturbed.

We have had a number of prosecutions of this sort which have been incidental to our work, the latest being the prosecution of the Pan Motor Co., of St. Cloud, Minn., the biggest stock-jobbing fraud in the history of the country in point of dollars. This company was so thoroughly advertised that they were able to sell \$9,500,000 worth of their stock—all of it west of the Mississippi River, and they were prosecuted, and Pandolfo, the promoter, convicted and sentenced to spend 10 years in Leavenworth penitentiary, yet the public understood, and to-day we number the investment bankers and more reputable brokers of America among those who support our work.

From our experience I am inclined to believe that the result of the passage of the "truth in fabric law" will bring about a very different effect from that which the textile manufacturers, who have appeared before you, have stated they believed would arise from its passage. I do not believe that the wool growers of the country are going to get the big bulk of the benefit from this act if passed. I am of the impression that the bulk of the benefit will go to the textile manufacturer. I think if the bill is properly drawn along constructive lines, such as have been discussed before the committee, and is properly enforced, it will take from the shoulders of legitimate business in the textile industry a class of competition with which no honest man can compete.

The associated advertising clubs have for a number of years been having a great deal of trouble with the term "all wool," and we are absolutely helpless in the situation, as the term "all wool" as far as it goes is truthful, but it is my impression that the term "all wool" has been so much misused throughout America that, though perhaps many of the textile manufacturers will not agree with me now, I think they will come to agree sooner or later that the use of the

term "all wool" has worked a greater harm to them than to the public.

Under the term "all wool" there is no distinction, as far as the product on the merchant's shelf goes, between woollens costing \$2 a yard and woollens costing \$12 a yard. They are both all wool. They carry about the same weight. One appears as good as another, with the result that under this "all wool" term the \$2 fabric comes into direct competition with the \$12 a yard.

When we import woollens from England we import only the best. It would not pay to import the cheaper woollens, and by reason of that fact English woollens have come to be known as good woollens, yet I dare say that we make better woollens in America to-day than England ever produced, but we get no credit for our better merchandise because our best woollens are sold in competition with our cheapest woollens under the general term "all wool."

This practice in the retail trade has, undoubtedly, brought the woollen industry in America into disrepute, and the action of the retailer in advertising all grades of woollens under the term "all wool" has made the public suspicious of woollens generally.

The situation was much the same at one time in the package remedy field. Many package remedies have merit, and yet the package remedy industry as a whole permitted such nostrums as Nuxated Iron, Tanlac, and Swamproot to prey on public confidence with the result that to-day many legitimate newspapers throughout the country refuse absolutely to carry any package remedy advertising. They say they can not take time to separate the good from the bad, and the package remedy manufacturer who has a legitimate product suffers because he did not see the situation and handle it in time, and now they have come to our association in an effort to get relief from their predicament.

In the oil industry we find a similar situation. For years fake promoters, dealing in oil stocks, setting out the wonderful earnings to be made in oil, have preyed upon the American public until they have brought the very word "oil" into such disrepute that a large number of legitimate American daily newspapers will not carry any piece of copy which has the word "oil" in it. The very name is odious. And but a short time ago the Secretary of State of Illinois issued an order to the effect that no oil company should be permitted to sell its promotional stock in the State of Illinois; and when we contended that such a move was not constructive, we met the answer that the oil industry was so rotten that he was unable to tell the good from the bad.

Now, unless the thing is stopped the textile trade will drift into the same situation. We have tried to stop it. We have had a number of prosecutions of local merchants through our local better business bureaus in cases where they have misrepresented merchandise to be wool which was not wool, and in which we found other ingredients, but where the term "all wool" was used we found ourselves helpless if the product turned out to be all wool, regardless of its poor character.

As I stated the other day to some of these gentlemen who are present, if you were to put this proposition up to one hundred people to-day and tell them you had a bill like this measure to protect the public in buying textiles so that when wool was mentioned it would be mentioned intelligently and have some meaning, ninety-nine out of a

hundred would be for the bill. I have tried it myself. I have spoken to a number of persons and with 100 per cent results along that line.

To-day at noon I met one of the assistant solicitors in the Post Office Department. He asked what I was doing in Washington, and when I told him that I was interested in this bill, he said, "I hope they pass that kind of a bill because it is certainly needed. Here is a suit of clothes which I bought. I went to my tailor and he told me he would charge \$100 for a suit, and, of course, that was beyond my means, but a friend of mine told me of a tailor who would make me a suit for considerably less and assured me that the tailor, whose name he mentioned, made his clothes of nothing but all wool. I went to this tailor and picked out my cloth, and he agreed to make me a suit for \$55. I wore it about two weeks, when the seat wore out, and now the balance of it is just gradually disintegrating."

He told me that he had gone back to the tailor and had complained concerning this suit, but the tailor had reassured him that it was all-wool fabric; that he bought the cloth himself, and that it must be the fault of the textile manufacturer.

I saw the suit, and it was a good looking piece of cloth, and I have no doubt but that it was all wool.

I do not think that the textile manufacturers are entirely to blame. They sell the smartest buyers in America. These buyers know what they are buying. There can be no question about that. The trouble lies with the retailer who comes in direct contact with the public. He sells the cheapest of all-wool quality in competition with the best, under the blanket term "all wool".

Mr. WINSLOW. Does he charge the price that he gets for wool clothing?

Mr. LEE. In some instances it is as much as that and in other instances not.

Mr. WINSLOW. Does your experience represent a considerable proportion of dealers in clothes?

Mr. LEE. No, I would not say that it represents a considerable proportion. As far as the use of the term "all wool" goes, I think that represents approximately 100 per cent, but I think the range of price on all wool products merely as such does not run quite as high.

Mr. WINSLOW. Suppose that had been marked all wool or shoddy. Do you think he would have expected to buy at less than \$55?

Mr. LEE. Not at all. I can tell you of a case in point. Shoddy is despised merely because it is commonly sold as all wool.

Gimbel Bros. in New York have maintained a store there for a number of years. Prior to April 1, 1918, I rode the street cars, the surface cars, the subway cars, and the elevated cars in New York. At that time I was secretary of the New York Tribune, and we had a \$1,000,000 libel suit on our hands, brought by Gimbels. I was interested in that suit, and as I rode the cars I would sit down beside some well dressed lady or gentleman and suggest that I was a stranger in New York, which was true, because I had just come to New York from Cleveland, and that I was about to do a little shopping; that I had thought of going to Gimbels, and each of them said to me, be careful of Gimbels.

The libel suit which Gimbels had brought against the New York Tribune arose from an article which they thought to be libelous in

which the Tribune had accused Gimbels of misrepresenting their merchandise, and I finally had a talk with Mr. Isaac Gimbel, and I told him of my experience in riding the cars in New York. We talked over the whole situation, and particularly talked over the question of merchandising in a retail store. Finally Mr. Gimbel and myself worked together to find a solution of the problem.

Greenhut's store was then operating on Fourteenth Street in New York with perhaps the rottenest stock of merchandise ever gathered under one roof. Mr. Gimbel purchased that stock and removed it to the Gimbel store. About 20 per cent of it was thrown out as worthless and junked. Much of it was put in the basement and labeled, "these goods are not fit to be sold on the floors above, therefore the basement and the price." On the floors above handkerchiefs were labeled, "these handkerchiefs are not as good as they look; they are not linen; there is not a piece of linen in the Greenhut stock." Silk ribbons were labeled, "these ribbons look like silk, but they are not; there are no silk ribbons in the Greenhut stock." Gowns were labeled, "these gowns are soiled and they will not wash." Other gowns were labeled, "these gowns are defective; if you can not find the defect ask the clerk." That sale was advertised just as I have given it to you. The truth was told about every piece of merchandise in that sale. When the doors opened on April 1, 1918, there were approximately 3,000 people waiting to get into that store. The sale ran on for more than a month. As popular lines ran out they were filled from the Gimbel stock, and then advertised that that line had run out; that they had filled the stock with their own goods which they considered to be equal to the Greenhut goods if not better, but they wanted the public to know when they were buying Greenhut goods and when they were buying Gimbel goods. I am informed that that sale was the biggest ever held in the history of retail merchandising.

After the sale was over I again rode the street cars, the elevated, and the subways, and again I sat next to well-dressed men and women and told them I was thinking of doing a little shopping and had thought of going to Gimbel's, and almost without exception they told me that Gimbel's was a safe place in which to shop; that I could get good merchandise there, and I could get cheap merchandise there, but that whatever I bought Gimbel's would tell me the truth about it.

The same thing is true of shoddy. Shoddy can be sold to the public if it is labeled as shoddy, and sold at a fair price for shoddy. If the public know they are buying shoddy they will be satisfied with shoddy, and when grades of shoddy have shown their wearing qualities under the term "shoddy," shoddy will get the credit, and will cease to be a despised word, but as long as you sell shoddy under the term "all wool," every piece of all-wool fabric which goes bad will be believed, at least by the public, to be shoddy.

I think there is a keen necessity for some such law as this. I think the law ought to be built along the constructive lines which have been discussed here, but I have not much patience with the argument that you can not take the public into your confidence in matters of this sort. I believe you can. I believe it is entirely possible to create standards in textiles and that the public will learn to know

them, and learn to appreciate their value in merchandising much faster than some of us may think.

The CHAIRMAN. Are you connected with the Fair Trade League?

Mr. LEE. No; I am not.

The CHAIRMAN. Do you know of its work?

Mr. LEE. I know something of it.

The CHAIRMAN. Have the prosecutions which it has started in various parts of the country, and convictions it has secured in some places, developed any keener sense of business honesty than heretofore existed?

Mr. LEE. I do not know that the Fair Trade League have accomplished so much, but there is a general movement throughout the country for better advertising and better merchandising, and in my opinion the merchandising situation in America is cleaner to-day than ever in the history of this country. I think business men are inclined to be more honest. I am absolutely sure that this is true in the field of advertising, because when we started this movement several years ago there was not a newspaper in America that came out outspokenly for us. To-day we have hundreds of newspapers supporting this movement.

In the early days of the movement there were very few manufacturers who were willing to get behind the movement for Truth-in-Advertising because they feared that the public would not be able to discriminate; but to-day we have approximately 600 big national advertisers standing behind this movement and more than 16,000 merchants and local business men, members of local advertising clubs, who are behind the local movements throughout the country.

Mr. SIMS. May I ask the gentleman a question? Do you think anybody who wanted to buy cotton fabric would refuse to buy it because it was labeled "all cotton"?

Mr. LEE. Not at all.

Mr. SIMS. Then who would refuse to buy wool if it was labeled "all wool" or "all new wool" or "all reworked wool"?

Mr. LEE. They would not.

Mr. SIMS. And the fight would go along with the kind of goods they thought they were buying?

Mr. LEE. You must establish a standard in order to establish a price. The manufacturer must know what is in the product and how the product is made up before he can put a price on it. If he knows how to arrive at a price he knows how to arrive at a merchandise value.

Mr. SIMS. After all, honesty is the best policy in manufacturing and merchandising as well as in everything else?

Mr. LEE. That is not a trite phrase by a long shot. It is one of the most stable statements that I know of.

Mr. WINSLOW. Do you find much dishonesty and misrepresentation by manufacturers?

Mr. LEE. Very little. We find a lot of this due to inefficiency and poor salesmanship. Many salesmen do not know what the product is themselves. They have not the slightest idea, but if they know what you want to buy and the goods are not marked, they will call it anything they think you will purchase and some buyers are just as bad, and when they have purchased a bad lot of merchandise and find themselves in the hole, they offer it as something else in order to

move it at a price that will keep them from getting into trouble with the head of their house. This is one of the hardest matters we have to handle—inefficiency on the part of employees, but when the goods are labeled much of that will be removed.

The CHAIRMAN. We are much obliged to you, Mr. Lee.

Is Mr. Marston ready to proceed?

**STATEMENT OF MR. TROWBRIDGE MARSTON, REPRESENTING
THE KAUMAGRAPH CO., NEW YORK CITY.**

Mr. MARSTON. Mr. Chairman, I am here at your request to give what information I can in regard to the process for marking these goods.

The Kaumagraph Co. manufactures a transfer which is used in connection with the Parks & Woolson Kaumagraph attachment. The transfers are tissues upon which a brand or trade-mark has been printed by our process, and then are wound into rolls of about 8 inches in diameter, similar to a ticker tape. These rolls are put into the machines and the tissue is brought against the cloth by means of a rotating pad, which brings them against the hot iron. The result is that the brand or transfer comes off the paper and attaches itself to the fabric. I believe the booklet which you hold in your hand states that they can be put on at the rate of about 40 yards per minute. That is the approximate speed, although I believe they sometimes are put on as fast as 45 or 50 per minute, under best conditions.

In regard to the cost of our transfers, we are selling them now in large quantities—that is, a million or over—at \$1.04 per thousand; roughly one mill per transfer. This is for a transfer of sufficient size to include all the necessary data which is specified in this bill. It would be a transfer approximately 2 by 3 inches. As I said, that would cost 1 mill per impression. It is our intention if possible—and I believe it will be possible—to reduce the cost of the transfers because of the increased production. At the present time we have a good equipment and we could start making delivery of transfers in two weeks; in six months we would be able to supply all the transfers that were needed. Of course, that would mean the building of additional machinery, but we could start delivery in two weeks from to-day if it were necessary.

I was out at the Cheney Silk Mill a short while ago and Mr. Frank D. Cheney told me that he had figured that the cost of application of transfers amounted to about 1 mill per yard; therefore it would mean that under the present price standard it would total about 2 mills per impression. This includes the cost of transfers, interest on investment, depreciation, and cost of operation. I can not speak for myself as to the accuracy of those figures. They were given to me by Mr. Cheney.

Something was said this morning in regard to the marking of delicate light-colored fabrics. I was not able to see the samples close up, but looking at them from a distance I judged that they had been marked with gold transfers. It would be my suggestion—this is entirely personal—that in marking goods of that character a transfer of a light shade—that is, a light yellow, probably, would present a mark which would be more translucent. In other words, it would not show up as plainly through the goods. Of course, if

you have a piece of goods which is transparent in itself, you would be able to see anything on the goods. You can even put your hand behind some of those goods and see it, and it would necessarily mean that if you put any mark on, it could be seen more or less if you hold it against the light. But when the garment was worn, I believe that such a mark would not be objectionable.

Then another way of meeting that is to put the data along the selvage of the goods. It could be placed on a selvage as narrow as an eighth of an inch, and it would be my belief that this data could be put in that space.

The CHAIRMAN. Are there any questions, gentlemen?

Mr. DEWALT. How would that comport with the idea of your mark 2 inches wide by 3 inches in length. Your idea is to stretch it out along the selvage?

Mr. MARSTON. Yes, sir; instead of making a parallelogram we would use a line of lettering.

Mr. WINSLOW. How would that protect the ready-made garment?

Mr. MARSTON. I am not fully conversant with the bill, but I believe the bill reads that there shall be a tag sewed into the garment. I am not sure on that point. I believe that the idea of branding the goods is to protect the purchaser of the goods until it goes into the garment. At that time there will be a cotton tag sewn into the garment which will protect the ultimate purchaser. I am not sure on that point. Is that correct, Mr. French?

Mr. FRENCH. I would say that is correct.

The CHAIRMAN. Are there any other questions? Many thanks to you for appearing. Is Mr. Pound here?

**STATEMENT OF MR. GEORGE W. POUND, GENERAL COUNSEL
OF THE MUSIC INDUSTRIES CHAMBER OF COMMERCE OF
AMERICA, 105 WEST FORTIETH STREET, NEW YORK CITY.**

Mr. POUND. Gentlemen, we are here to speak in support of the Barkley bill and the theory upon which it is built. Our organization is a centralization, a speaking voice of every element of the music manufacturing and merchandising business in America. We have some 11 affiliated associations. We maintain—and this bill exactly in line with our vision and our ideals—we maintain a bureau in our chamber known as the “better business bureau,” the sole and express function of which is to prosecute cases of unlawful or exaggerated advertising and sale of musical instruments.

We believe that this war has done that for merchandising in America which no other means has done or could do; it has given a higher ideal and a much better dignity to merchandising in America. This past year I have traveled some 43,000 miles in 42 of the States in an endeavor to inculcate in our industry higher ideals, higher ideals of business, and greater vision, greater dignity in merchandising.

There is no question at all but that business is being conducted to-day in the United States upon a higher plane than ever before. The difference is marked; it is very marked, and it is only here and there that we are met with conditions which we can not overcome in bad advertising and bad merchandising.

The two chief sources of trouble with us are the advertisements in the public press and the personal appeal by letter or circular.

One of the most marked troubles we have is the tendency to exaggerate the discount given upon the sale of the merchandise. All buyers—and most particularly those of the female sex—are bargain hunters, and a statement of an exaggerated reduction in the price of the goods is always an appeal.

We are very much in favor of this. We do so want to cleanse our industry of the slightest taint of bad merchandising. We want to build up a great honest, clean, dignified industry, and we want your help in doing it, in passing the Barkley bill or something akin to it.

I believe that we have made a very close analysis of business conditions in this country, and I know from a constant study of the subject and from my extensive travels in this connection that that is the desire of more than nine-tenths of all manufacturers and merchants in the country, but ever and anon we come across a case which requires some drastic treatment. State laws do not meet the want. In the first place, they require special study; they require the employment of special and able local counsel, and they differ vastly. They are always subject to local influences, but a national Federal law upon this subject would be an infinite help to us to protect the public.

We believe that an advertisement which does not tell the exact and strict truth is a fraud upon the advertiser himself. It must carry the message and it must tell a message that the people believe. We want the people to believe our advertisements absolutely, and until we reach that point, we feel that our advertising is a failure.

The Barkley bill, and the Rogers bill also, thoroughly meets our wants. The advertising section, number five, as I would call it, of the Barkley bill is particularly acceptable to us. It will be a great help. It can do no harm to anybody, and it will be a help to honest, clean merchandising.

THE CHAIRMAN. Have you any doubt as to the constitutionality of that provision in the Barkley bill?

MR. POUND. I have thought of the question which has been presented as to whether the simple insertion of the advertisement is Interstate commerce—I take it you refer to that, Mr. Chairman?

THE CHAIRMAN. Yes.

MR. POUND. It would seem to me that that might be met by at declaration that the advertisement is such when inserted in a newspaper which has a known interstate circulation, would perhaps help to meet the question. We have, of course, the fraudulent use of the mails to help us, but in a case which I have in hand, now that does not meet the issue. We can not always locate those particular instances, and I would say this, that there need be no fear, as has been expressed here, that it will be necessary for any individual to go to court in these matters. The different associations, such as ours, will gladly take these matters up. We will prosecute any case any place in the United States, east or west, north or south, that will be brought to our attention by any individual. We have already done so. We have one gentleman who differed from us on lines of legitimate advertising who is now resting under a two-year sentence at the Atlanta Reformatory. We convicted a case recently in the Middle West. We have now two cases pending in which we are confronted with a serious legal question under a State law. We need this law; we need something of this kind.

We ourselves are giving everything that is in us to acquiring a higher ideal and a higher dignity in our business practice and business methods.

There can't be any objection to this. Our chief difficulty, as I see it, comes from the occasional merchant who misrepresents his goods in his newspaper advertisement. The day we fear is that day when production is going to equal consumption. In our own industry to-day we are, for instance, 100,000 pianos short of the market. We are in a sellers market. Everything is very congenial. The man to-day who does, as an occasional merchant does do, falsifies, misadvertises goods, is an imbecile, because he substantially confers a favor in giving the one instrument to 1 of the 12 people who are praying for it. But the desire to falsely advertise, to use bad business methods, seems to be inherent in some of these fellows, and the bad business man, we believe, injures our whole industry.

Mr. BARKLEY. May I ask you a question or two? Do you think that it is practical to provide for the compulsory labeling of merchandise in general?

Mr. POUND. Yes, sir.

Mr. BARKLEY. You think it would be practical for a lot law to be passed that would require the manufacturer of all kinds of merchandise to label on the outside, in a conspicuous place, all the ingredients that go into it?

Mr. POUND. Yes, sir; so far as that would be helpful to the public. Of course, it would not apply to merchandise such as ours.

Mr. BARKLEY. Well, is it or not true that merchandising has become like a great many other things in this country, nationalized?

Mr. POUND. Yes, sir.

Mr. BARKLEY. And for that reason State laws upon the subject, while applicable to local conditions, do not reach this nationalizing tendency that has existed for many years in all branches of industry?

Mr. POUND. Entirely so. State laws are totally ineffective in solving this problem. They are more times a shield than a help. That is our experience.

The fact is, gentlemen, that it is my experience and analysis of conditions, industrial conditions, that in this country the better grade of goods to-day is being bought by the man who did not buy them prior to the great war. We find that the highest grade of goods to-day is being sold to the better class workmen, to the mechanic. It is not the rich man who is buying expensive goods in this country to-day. These men who toil before the flaming forge or the open fire and the whirling spindle do not toil for the so-called necessities of life; they toil for the so-called luxuries of life, and they are going to have them, and they are the men who are to-day buying them. Those men don't want the cost of living reduced, except as it is reduced on the other fellow's goods. The packers upstairs here are protesting that the cattle raisers charge them too much for the live stock; the live stock man abuses the packer. In this day, when consumption is far in excess of production, when in certain of our mills, certain of our factories, certain of our industries efficiency is down as low as 42 per cent, varying from that up to something toward 100 per cent—in these days we are not able to produce with the same factory, with the same machinery, the same men, we are not able to produce anywhere near the same amount of goods.

Mr. WINSLOW. Would you say "were not able" to do so?

Mr. POUND. We are not able to produce the same amount of goods. We haven't the man power, we haven't the arm power behind our help.

Mr. WINSLOW. Do you think that they are not able or that they won't?

Mr. POUND. They do not.

Mr. WINSLOW. That is different again.

Mr. POUND. They do not do it.

Mr. WINSLOW. Do you attribute that entirely to lack of physical power?

Mr. POUND. No, sir; not at all.

Mr. WINSLOW. What cause do you ascribe for the low production?

Mr. POUND. Well, I think it is the result of several things. I think it is the result of industrial unrest, with its accompanying mental and physical unrest, which has followed the war. I think it is possibly responsible as the result of the exceedingly high cost of wages. There isn't any first-class workman in the United States to-day who is confined to his job. He can walk out and get a hundred more. He can do it any moment, and he knows it. In our case we have many workmen in the factory earning \$10 a day.

Mr. WINSLOW. Producing about 40 per cent, you say?

Mr. POUND. My analysis shows an efficiency from 42 per cent upward.

Mr. WINSLOW. Would you feel that, regardless of what is back of it, that that amounts to a sort of a commercial dishonesty on the part of those who are expected to produce?

Mr. POUND. Undoubtedly so, sir; somewhat.

Mr. WINSLOW. Doesn't that drive up the cost of these articles which the manufacturer has to charge for them?

Mr. POUND. Yes, sir.

Mr. WINSLOW. Do you think that is generally appreciated through the land?

Mr. POUND. I think it is among those who have made it a study, who have analyzed the situation. I can give a concrete illustration of an analysis made of a factory a while ago. In proportionate figures, it took 16 men to produce the output of 11 men formerly at that work.

Mr. WINSLOW. That is the physical production?

Mr. POUND. Yes, sir.

Mr. WINSLOW. When you contrast that with the advanced wages, what percentage of production do you get out of dollars invested in labor, compared to what you did 10 years ago?

Mr. POUND. Well, we express it rather in units and elements of efficiency; and as I said, it is 42 per cent upward.

Mr. WINSLOW. Efficiency of the man. That represents the number of units he will turn out?

Mr. POUND. Yes, sir.

Mr. WINSLOW. Now if that is 40 per cent and you have to pay twice as much for labor as you did 10 years ago, that means that you really get for the dollar invested in labor only 20 per cent as much as you did then?

Mr. POUND. Substantially so.

Mr. WINSLOW. Well, that is worth inquiry, isn't it?

Mr. POUND. Yes, sir.

Mr. WINSLOW. And representation to the people of the country. Then it is not the merchant or manufacturer who is robbing but the great masses who only give 20 per cent for the dollar invested in labor compared with what they gave 10 years ago.

Mr. POUND. Absolutely, sir. The element of profit, for instance, in our industry is no greater than before and it is only that we can maintain quantity production that we can meet these conditions.

Mr. WINSLOW. While we are on that, for the benefit of the record, which I trust will get to somebody's eyes other than those here, isn't it a further fact that all manufacturers who are conservative and looking out for the interests of their properties, feel obliged in estimating costs to embody a liberal percentage for emergencies which they can not foresee?

Mr. POUND. Absolutely.

Mr. WINSLOW. And isn't that also crowding up the cost of commodities?

Mr. POUND. Yes, sir; and that element of uncertainty and of speculation and of risk increases the cost.

Mr. WINSLOW. Quite so. Now if everybody were honest all along down the line, each for himself, wouldn't that automatically reduce the cost of living?

Mr. POUND. Yes, sir.

Mr. WINSLOW. And the cost of production and the selling prices of commodities?

Mr. POUND. Yes, sir. In our industry, for instance, what is known as the straight piano, which is the ordinary hand-played piano, without any mechanical features, is almost going out of the market. It was showing a tendency of decrease in demand of about 10 per cent a year. If, as I believe—and I think the best informed in our industry believe—we made, for instance 400,000 pianos in our industry in the United States last year, upon that same basis, we will only make, perhaps, only 100,000 of those straight pianos.

Mr. WINSLOW. What does that represent in value, roughly?

Mr. POUND. The cheaper instruments have almost ceased to be produced in the last year or two.

Mr. WINSLOW. What does it amount to, just roughly?

Mr. POUND. Oh, low; I should say \$300,000,000 at retail.

Mr. WINSLOW. Now, would you say that a 10 per cent emergency allowance, charged in to protect the manufacturer against what he knew nought of, would be a small allowance on the average?

Mr. POUND. I think it would be small on the average; yes, sir.

Mr. WINSLOW. That means \$30,000,000 has been paid by the people because the employer can not trust the other fellow.

Mr. POUND. That would be one way of expressing it; yes, sir.

Mr. WINSLOW. Would that be reasonably accurate from a commercial point of view?

Mr. POUND. I believe the estimate of 10 per cent which you make for the uncertainty and speculation of business to-day is a fair statement and conservative bid.

Mr. WINSLOW. Do you think it is a little low rather than high?

Mr. POUND. It is a little under, in my judgment.

Mr. WINSLOW. I think you are right about that.

Mr. POUND. In our industry—and I assume in all others which are well managed—the result has been that there has been a higher development of machinery and more extended use of machinery. We to-day in this country, for the first time in the history of America, are able to say that we are making not only more, but absolutely the finest instruments made in the world.

We made here in this country last year about \$2,000,000 worth of band instruments, for instance, which were formerly imported from France and Germany. Substantially none are being imported now. We are making not only more instruments but we are making a better instrument than the world has ever known before.

Now, with this splendid opportunity we want the Barkley bill or something like it to help us perpetuate this high ideal, this greater dignity we are trying to get.

Mr. SIMS. I would like to ask the gentleman a question. He seems to be well informed and very interesting.

Do you think it is a public calamity that the people as a whole are able to buy your high-priced instruments and cease buying your cheap instruments?

Mr. POUND. No, sir; I think it is a good thing.

Mr. SIMS. You think it is a blessing?

Mr. POUND. Yes, Judge Sims.

Mr. SIMS. Then you think, indirectly the high wages paid are at least a general blessing?

Mr. POUND. I believe so. I believe the average person thinks so.

Mr. SIMS. And the products are not all there is to live for in life?

Mr. POUND. No, sir; certainly not.

Mr. SIMS. When a boy used to shine a pair of shoes that cost \$2 and charged 5 cents for it and now shines a pair of shoes that cost \$15 and only charges 10 cents, the price of labor has doubled, but it only brought in an additional 5 cents, but the shoe that sold for \$15, what profit does it bring to the man who sells those shoes? It brings several dollars, and it doesn't take any more man power to handle the \$15 shoes than it does the \$2 or the \$2.50 shoe. So, after all, aren't high prices a blessing, if they are uniform, high price in wages and high price in products?

Mr. POUND. I believe so. I rather believe with such great authorities as Theodore N. Vail, in his brochure on that subject of recent date, in which he says that we are not going to have any substantial decrease in either the high cost of living or the resultant high class of wages; and that furthermore this is not a feverish state of the selling market.

Mr. SIMS. Some people seem to have excruciating pains every time they think about a man who used to get \$1 a day now getting \$2.50 or \$3. I don't care how much he gets, so far as that is concerned, if the price level is general, if all get an increase of price and products bring more. With our vast war debt, how will we ever pay it if the price of products does not continue high until a substantial part of the debt is paid?

Mr. POUND. It seems to me, and I should think to any close student of industry, that high prices must continue to prevail. In the first place we have no labor. Five thousand laborers are leaving the port of New York every week, returning to their homes in Europe.

I am not here to discuss prohibition, but prohibition is driving them home.

Mr. SIMS. I think that is a small item.

Mr. POUND. We are getting no immigration.

Mr. DEWALT. If we had time I would like to have you go into that [laughter].

Mr. SIMS. I was not quite through.

Mr. POUND. We are getting no immigration. The Italian labor which has in certain ways in recent years practically predominated over other labor in this country, is coming in less than 1 per cent.

Mr. SIMS. High prices, it seems to me, hurt no one except those whose investments were made upon a prewar basis of income, and they can not increase the income, and also salaries of public officials.

Mr. POUND. And perhaps salaried men, men in such positions.

Mr. SIMS. The salaries of business men can go up with the increase of profits in the business, but the bond or the note or the mortgage that was made several years ago and the interest fixed at a basis which would be remunerative for money at that time, as the rate can't be changed and of course the owner suffers. We gentlemen (Congress) who fixed our salary about 15 years ago at what was thought then by some to be a very high level, now goes only half as far as it did then in payment of necessary expenses, but we haven't the nerve to further increase it now [laughter]. I think upon the whole that we are working harder now than we ever did.

Now if we can only level up some of those that are not getting a just compensation, I think it would be a blessing to this country for high prices to continue for many years, and when I see people wringing their hands over high prices of labor and high prices of products, when the country is in a better condition than it ever was before, and, as shown by your testimony, men are able to buy the very best machines, and a greater number of them at a greater price than they ever did, why isn't that a commercial millenium rather than a commercial famine?

Mr. POUND. I think personally that it is. I think, for instance, that the day of cheap merchandise is substantially gone. I do not look upon this present condition of the selling market as feverish; I believe it is a natural and continuing demand.

Mr. SIMS. It appears that the ability of the people to buy is greater than it ever was before, and that they have improved tastes, better education, and that they demand a higher order of products than they have been getting, and I think that we ought to be returning thanks for it instead of raising one grouch after another all of the time.

Mr. POUND. The man who toils feels that he must visualize his wages, his profit, whatever it is—he wants to see it. That is why, perhaps, the \$50 Liberty bond under the newspaper in the bureau drawer was very promptly exchanged for musical instruments. The woman wants to see that investment. She couldn't appreciate a \$50 Liberty bond under the newspaper.

Mr. WINSLOW. Did you take it at par?

Mr. POUND. Yes, sir; we did.

Mr. WINSLOW. There was good profit in that business, then?

Mr. POUND. I certainly would not myself and I know that most of our industry, at least, would not profit in any way on a Liberty bond.

Mr. WINSLOW. Do you subscribe to the idea that increases can go on uncalled, forever and forever, world without end?

Mr. POUND. No, sir; absolutely not.

Mr. WINSLOW. Where would you draw the line, then?

Mr. POUND. I would say this, that in my judgment merchandise can never go back to its former level. It can not go back as long as the present industrial conditions exist, when consumption is greater than production or when, as you might say, production does not equal consumption. In almost every line of industry in this country to-day production is far behind consumption.

Mr. WINSLOW. I thought you told Judge Sims that you thought it a blessing to have the wages go higher and higher and the prices go higher and higher?

Mr. POUND. Not indefinitely, certainly not. I think it is a blessing that with the high cost of living the high cost of wages is coming along, is proportionate.

Mr. WINSLOW. Do you think it has gone about high enough now for general comfort? [Laughter.]

Mr. POUND. My experience as I go about the country is that it depends entirely upon the man.

Mr. WINSLOW. I was asking you.

Mr. POUND. I think myself that labor and commodities will increase in value for about two years yet.

Mr. WINSLOW. Do you look upon that with favor?

Mr. POUND. I do not know as I look upon it particularly with favor. I regard that as an industrial fact.

Mr. WINSLOW. Would you look upon it with any apprehension?

Mr. POUND. No, sir.

Mr. WINSLOW. You are perfectly willing that prices should go up from year to year?

Mr. POUND. No; I believe that it is a condition of industry that we can not avoid.

Mr. WINSLOW. I will agree with you on that, but I was wondering what we could do to come to some conclusion between us as to about the time we should try to stop it.

Mr. POUND. I believe, sir, that this whole question devolves upon capacity to produce goods. As long as production is under consumption we can't restrain the high cost of living and we can't hold back wages.

Mr. WINSLOW. I agree with you, but I think that is another question.

Mr. DEWALT. Isn't this condition prevalent everywhere?

Mr. POUND. Yes, sir.

Mr. DEWALT. It is not confined to this country at all. Wages in Japan are quite a good deal higher than they were.

Mr. POUND. Of course, but wages abroad in some places are not proportionately high.

Mr. DEWALT. The purchasing power of money in Japan is only half what it was before the war. So that condition is world-wide, isn't it?

Mr. POUND. Yes, sir; to a certain extent.

Mr. SIMS. Wouldn't you view with very much alarm anything like a sudden reduction in general prices?

Mr. POUND. Certainly.

Mr. BONYNG. Is it your understanding that under the Rogers or the Barkley bill the manufacturer will be required to label his products?

Mr. POUND. No, sir.

Mr. BONYNG. I understood you to say that you favored compulsory branding?

Mr. POUND. No, sir. Mr. Barkley asked me whether it was feasible or practical.

Mr. BONYNG. You think it is feasible?

Mr. POUND. I think it is practical to do it. We are opposed to misbranding.

The CHAIRMAN. Are there any other questions, gentlemen? If not, we will hear the next witness. Mr. Barkley, have you any witness that you wish to call this afternoon?

Mr. BARKLEY. No, sir; I do not know of any.

The CHAIRMAN. Is Mr. Goss here, of Successful Farming? We will hear you now, Mr. Goss. Give your name and address and whom you represent.

STATEMENT OF MR. C. A. GOSS, ASSOCIATE EDITOR OF SUCCESSFUL FARMING, DES MOINES, IOWA.

Mr. Goss. I am associate editor of Successful Farming, Des Moines, Iowa.

In final analysis, gentlemen, the question of the consumer and the producer is practically the same. Whether you care anything for the producer or not, whether you care a rap about him, you do care as to whether or not he is sufficiently interested in the proposition that he is producing, in the materials which he is supplying, to continue to produce them. For that reason, gentlemen, instead of taking up the equity of the proposition from the consumer's standpoint, I want to talk to you to-day from the producer's standpoint, and I want to talk to you not from what I think about it, but I want to give you some bare, hard facts of the conditions of the sheep industry, and wool industry as they exist in the country to-day. After you have received those facts, look them over and consider them in your own mind; then it is up to you what you want to do about them. But I will give you those bare facts as they exist from the best authorities which we have on the subject.

Before I go any further I would just like to tell you why I am here and a little bit more about whom I represent.

There are out in the central West about 20,000,000 farm people. The question uppermost in the minds of those farm people to-day is as to whether or not they shall continue to produce wool, if they are producing it; and if they are not producing it, as to whether or not they shall go into the production of wool.

The farm paper which I represent reaches about one-quarter of those 20,000,000 people. Letters come to us every day in regard to different subjects. The editor of a farm paper, I might say, is the nearest to the hearts of farm people of any one. His minister gets next to him on some things; his banker gets next to him on some other things, but the editor of the farm paper gets right down to the things which he thinks about and which he knows about, his very thoughts, you might say; he has his fingers on the pulse beat of farm life. I say these things to you because I believe that you should

know the standing which I feel I have among the farm people, and the ability to represent their views on the subject.

As I said before, we are getting letters all the time from different people. During the time of the peace treaty talk, and still at the present time, of course, we get a lot of letters on the peace treaty. During the time when the question of prohibition was uppermost we got a lot of letters on prohibition, but during the time since the first of the year that the truth in fabrics bill has been before Congress, we have gotten more letters than we ever got on any other subject, coming in voluntarily. Now I brought out just a few of them, about 200, I expect, that I picked off the top of the pile—we have a whole desk full of them—I don't know how many there are—from different people from all over the Central West, representing views on this proposition.

Now I want to read a sentence or two from a few of them on the matter of the truth in fabrics bill. Here is one:

It is the sense of the sheep and wool growers of Noble County, Ohio, that shoddy is gradually but surely driving the wool growers out of business.

That is signed by the president of the Noble County (Ohio) Sheep and Wool Growers' Association.

Here is one which comes from an ordinary farmer written with a pencil:

Would you please let me know where I can take a coat to have thoroughly tested as to the material from which it is made?

Here is one from a fellow who says:

We in this part of Ohio will go out of the sheep and wool business if we can not get the cost of production out of wool.

Here is another one:

Nothing could be better to stimulate the raising of more and better sheep. A valuable step in lowering the cost of living.

Here is one from the Farmers & Merchants' State Bank of one of the towns in Iowa, signed by about 20 or 30 different farmers of the locality, stating their position on the proposition.

Here is another one from a Wisconsin farmer.

Here is another one from the Stewart Live-Stock Co., of Danville, Oreg., saying that their 50 steady employees are interested in the proposition to the extent that they want their influence used in its favor.

Here is another one from the International Von Homeyer Rambouillet Sheep Club.

Here is one from a wool growers' association.

So they go on down through the pile. We have some here from marketing associations, from county agricultural agents, whom you probably know are the best informed men and are about as close to agricultural conditions as anyone. There are letters here from bankers, and pretty nearly every type of industry throughout the Central West.

The sheep industry of the United States is not the same to-day as it was at one time. As I said, I want to talk to you simply on the matter of production. It used to be that sheep growing went West as population progressed West. That is, it went from the Eastern States out into the Central West, then on into the Western States. It was the forerunner of civilization.

Now those conditions have absolutely changed. We have a condition now where, if wool growing is to continue, it must be a small farm proposition. The figures on the production of wool and of sheep in the United States will show you that the sheep raising business is going out from the West; it is going away from the South; it is going away from the large range country and is coming down to the small farm. If it is going to be a small farm proposition, sheep raising must compete with the crops which those farmers are already raising. If they are raising hogs, it must compete with hogs; if they are raising corn, it must compete with corn; if they are raising wheat, beef cattle or any other product, it must compete with those products.

I would like to show you where the population of sheep and wool population is to-day. We will take the Western States first. Here is Montana [indicating on chart]. Montana has been cut down to about one-half in the last 10 years on the number of sheep produced. Wyoming is the same way. Colorado has increased just slightly. New Mexico has been cut down to about one-half. Arizona has increased slightly. Utah has been cut down a number of thousands. Nevada is about the same as it was. Idaho has been cut down to quite an extent.

In other words, in these Western States which we have represented on the chart—and there are eight of them—there has been a decrease of 36 per cent in sheep production. Those used to be the greatest sheep States we had. They have decreased 36 per cent.

Mr. SIMS. In how long a time?

Mr. GOSS. Ten years, from 1910 to 1920.—the last 10 years.

Now, gentlemen, let us look at the Southern States. Here is Virginia [indicating]. Virginia has decreased slightly. West Virginia has decreased. North Carolina has decreased. South Carolina has decreased. Georgia has decreased. Florida has decreased. Alabama has increased slightly. Tennessee has decreased. Mississippi has decreased, and Louisiana has increased slightly. There has been a decrease of 5.5 per cent in the Southern States in the last 5 years, not 10 years, but 5 years.

Mr. PARKER. Did you have Kentucky there?

Mr. GOSS. No, I put Kentucky in the other section. We ordinarily consider Kentucky as one of the Central West States, because in Kentucky they raise practically the same crops that we raise in Iowa, in Indiana, Ohio, and the Dakotas.

Mr. SIMS. That is out of the cotton belt?

Mr. GOSS. It is; yes, sir; largely out of the cotton belt. Here are the mid-west States [indicating]. Ohio since 1910 has decreased; Indiana has decreased; Illinois has increased slightly; Michigan has increased slightly; Wisconsin has decreased; Minnesota has increased, and so on down the line there. If it is necessary I will read them, but the total of the Central West States shows an increase of 4.3 per cent. You will notice that none of these States, with the exception of perhaps Ohio, Indiana, Michigan and Wisconsin, produce as much as any of the Western States do. In other words, what were the big sheep-producing States are now showing a very rapid decrease and sheep-raising is coming into the States of the country where other crops have been of primary importance.

Now the Eastern States—I did not make up a chart of the Eastern States, but here are some of them. Maine has decreased over one-half. They had 547,000, and they have gone down to 210,000 in the 10-year period. I will have to say, though, that this period is different from the previous ones in that it was from 1891 to 1909. New Hampshire during that time decreased so that it was pretty nearly one-third of what it was before; Vermont decreased so that it is about one-half. Massachusetts has decreased pretty nearly one-half; Rhode Island has decreased so it is about one-third of what it was; Connecticut has decreased considerably, showing a total decrease for practically all of the New England States.

	1891		1909	
	Sheep.	Wool.	Sheep.	Wool.
		<i>Pounds.</i>		<i>Pounds.</i>
Maine.....	547,670	3,286,020	210,000	1,260,000
New Hampshire.....	183,183	1,099,098	70,000	434,000
Vermont.....	351,249	2,458,743	180,000	1,170,000
Massachusetts.....	55,965	335,790	35,000	210,000
Rhode Island.....	20,433	122,598	7,500	39,750
Connecticut.....	45,824	229,120	38,000	190,000
Total New England.....	1,204,324	7,531,369	540,500	3,303,750

Here is what the president of the American Woolen Co., William M. Wood, wrote to Hon. James Wilson when he was Secretary of Agriculture in 1910 in regard to the sheep industry of the Eastern States:

"We have lost one-half of our sheep in New England since 1891 and one-half of our wool production. There has been some increase in the regions farther west, but that again has not been so large as it ought to be, and there ought not to have been any reduction in New England. If, proportionately to the area there were as many sheep in New England as there are in the United Kingdom, instead of 540,500 we should now have 15,000,000 sheep grazing on our northern hills. What this would mean in the way of advantage to American manufacturing; the improvement of the land, and direct and indirect benefits to New England agriculture you can readily grasp."

Within recent years some of the Eastern States have picked up slightly. They have a good deal the same proposition which we have out in the Central West States, they have other crops, with which sheep must compete if they are going to be raised in the Eastern States.

At the present time the United States produces only about one-sixteenth of the wool which is produced; yet we use about one-fifth of the world's wool production.

Mr. Sims. About one-fifth?

Mr. Goss. Yes, sir. I might digress here for just a moment to say also that the quality of wool has very materially increased. There is only a very small percentage of the wool at the present time which is of low quality. I understand that it is about 1 per cent. This may be due—and I think it is due for I have considerable faith in the agricultural colleges—to the fact that they have improved the breeds of sheep, and that they have improved the quality of wool and the amount of fleece. Figures will show that to quite an extent.

In 1903 we had the largest sheep population which we ever had. We had 64,000,000 sheep. In 1909, six years later, we had the largest wool production on a smaller number of sheep than we had in 1903, which would indicate that the quality of fleece was improving.

As I said before, if the production of wool is to continue, it must be on such a basis that it can compete with other crops. Let me cite you just two examples of what I mean by that:

You people have probably often wondered why the price of milk out in the Central West, say Des Moines and Kansas City and Chicago and some of the other cities, was nearly as high as it is in the eastern cities. The reason for that is the fact that those farmers who are producing milk have to compete with the pork and corn which are the main crops of that section. Although they are located right in the center of a favorable dairy section, the price of milk has to be sufficient so that those farmers can afford to produce milk instead of producing corn and hogs and these other main crops. When that price is not sufficient, dairying suffers.

Just another example: I showed you here the record of the Southern States. I told you that they had decreased 5.5 per cent in sheep production. Now, it may be of interest to you to know that during the five years since the beginning of the war cotton has increased 4.5 per cent; the price of wool has increased about 2.5 per cent.

Mr. SIMS. You mean to 250 per cent?

Mr. GOSS. About two and a half times.

Mr. SIMS. You said 2½ per cent; you mean 250 per cent.

Mr. GOSS. Two hundred and fifty per cent, yes. Cotton increased 450 per cent. The price of wheat, as you will see later by some of these other charts which we have, has increased about three times, or about 300 per cent, and yet the price was set on wheat and most of you people know that if that price had not been set wheat would probably have been higher than it was.

The price of pork has increased about the same, or about three times.

The price of corn has increased between twice and three times.

Mr. WINSLOW. Do you know the population of the cotton-growing area as compared with the population of the wool-growing area?

Mr. GOSS. You mean the farm population or the total population?

Mr. WINSLOW. Well, the farm population.

Mr. GOSS. I can give you the farm population and also the city population, if you wish it. Alabama has a population of 1,000,000—

Mr. WINSLOW. In total, if you can give it.

Mr. GOSS. I could not do that without figuring it up. We have all the States here but not the total. I can figure that for you if you wish.

My purpose in being here is not to argue the matter of increased prices for the producer, although I do not say that increased prices would not be justifiable in view of the figures which I have just given, but I do say that the prices should be stabilized to the producer. Now, to prove that point, let me show you some charts which I have prepared. The figures on which these charts are based are taken from the best authority which we have, the United States Department of Agriculture reports. Moreover, they are now history and can not be changed. They are just bare facts; take them for what they are worth.

Mr. Sims. Before you get to that I want to ask you a question. You speak of cotton having increased 450 per cent. Did you include the seed value, the lint value, and all, or did you just simply have the price of lint cotton in mind?

Mr. Goss. That is the price of cotton as it goes from the farm.

Mr. Sims. Well, then, that is inaccurate.

Mr. Goss. To what extent, Mr. Sims?

Mr. Sims. For instance, cotton sold this winter, good cotton, as high as 40 cents. It has been many years since it sold as low as 12 cents, and it was a good deal higher than that prior to the war, but 12½ cents was a fair price for middling cotton to the farmer. Now, when it sells for 40 cents, you can see that he is not getting any 400 per cent.

Mr. Goss. Whether that is taken from, as you say, the cotton as it comes from the field or otherwise, if the same basis is taken each time, would that make any difference if it showed the same relative per cent?

Mr. Sims. But there is a value to the cotton crop growing out of the seed which adds very materially to the value of cotton, and I didn't know but that the seed value, as well as the lint value, was included. I just wanted to know. I say I don't think it is accurate if it is based on lint value alone—on fiber value.

Mr. Goss. That was given as the farm value. To be very frank with you, I am not familiar with cotton raising. I understand, however, that includes the whole thing as it comes from the farm, both seed and lint.

Mr. Sims. Whether it may or may not include the seed value the farmer gets it.

Mr. Goss. Yes; he gets that.

Mr. Sims. And it may include the value of the seed.

Mr. Goss. Yes.

Mr. WINSLOW. Put it another way: Do you think the wool-growers have had as good a "shake out" as the cotton growers have had in the last few years?

Mr. Goss. You say have they?

Mr. WINSLOW. Yes; have they?

Mr. Goss. I wouldn't judge they had received as large returns from those figures.

Mr. WINSLOW. That is all right. (Laughter.)

Mr. Sims. The beauty of it is they both have done well.

Mr. Goss. They both have done better than they did before.

Mr. Sims. As all other farm products have. As the great advance in farm lands of every kind shows, farming has been a better business than it was before the advance.

Mr. Goss. Mr. Sims, when we get into that—I don't want to get off the subject here, but the value which a good many people place on returns which the farmer is getting, do not come from the products, as much as they come from the increase in farm lands. Take, for instance the farmers of the central west who went out there a number of years ago and took hold of that land; of course that land has increased in price and those farmers are pretty well off to-day, some of them, but it is due to the increase in value of the farm lands, and not to the increase in products.

Mr. SIMS. Unless they sell their farms. They can't live on unrealized increases in farm lands.

Mr. GOSS. No; it has increased credit but they have not the ready cash that is thought by many.

Mr. SIMS. They can borrow, or something of that sort, but they can't live on it. They have got to make products to live on.

Mr. DEWALT. That certainly would not apply to the section of the country from which I come. Cattlemen there who own farms and have owned them for twenty or thirty years or more, from my personal experience are now getting for potatoes \$1.50 a bushel and raising 150 bushels to the acre, and they are riding around in automobiles and enjoying their profit in many ways, and they still own their lands, the same land that they had. That was not due to the increased value of their land.

Mr. GOSS. We are not talking for increased prices, as I said before. Please get that out of your minds; we are not talking here for increased prices, although, as I stated, I do not say that they would not be justifiable, but I am talking about the stability of price.

Mr. SIMS. One thing, the wool-growing industry has not increased in the period you refer to anything like all other industries have increased and in proportion to the population in the United States for that period?

Mr. GOSS. No, it has not.

Mr. SIMS. In other words, it has fallen below the level of the increase of other kindred industries?

Mr. GOSS. The figures which I show you on these charts, Mr. Sims, will indicate that in the last 10 years—at least 17 years—the sheep population of the country as a whole, has decreased 25 per cent.

Mr. SIMS. Now, I think you can comment better on this than anybody else, a statement made by Mr. Rainey. He says he thinks that in Illinois the failure to increase the sheep industry and the wool-growing industry is due to the increase in the production of dogs; and there is no doubt but that there is a whole lot of truth in that.

Mr. GOSS. I think there is something to it; but, Mr. Sims, if you killed every dog in the country, that would not necessarily improve this condition.

Mr. SIMS. I think it would. The dogs kill a good many of them.

Mr. GOSS. Not if the farmers could not make as much from wool and from sheep as they can make from cotton or from corn or from wheat, or from beef.

Mr. SIMS. That is undoubtedly true; but unless we get some sort of a fatal dog epidemic to go through the country, it does not seem to me that according to Mr. Rainey's testimony, wool growing will become profitable if it is \$5 a pound, because the dog will kill a sheep with wool at \$5 a pound just as quick as he would if it was only 5 cents a pound.

Mr. GOSS. Several States now have good dog laws that are improving that condition. I do not think I can give you anything more on that. It is a separate issue.

The CHAIRMAN. You were about to describe some charts there.

Mr. GOSS. Yes.

The CHAIRMAN. I was wondering how much longer it would take you. We will probably not stay in session very much longer this evening.

Mr. Goss. I can get through in 10 minutes more, if you do not want to ask questions, except those directly bearing on this subject.

The CHAIRMAN. I think you have some charts that we would like to get into the record.

(The charts which Mr. Goss used are reproduced at the end of his testimony.)

Mr. Goss. Here is one on beef cattle [indicating]. The black line indicates the number of beef cattle on farms. The red figures and red line indicate the price, the farm value per 100 pounds. Now, if you will notice, from 1910 how the production line drops down and comes on up again in 1919. If you will notice the price goes up as the production line drops down. It comes on through and above the low production mark [indicating]. In other words does it not indicate to you that supply and demand are having some effect upon it?

Now, let us take wheat. I might state that I picked out these products; which we have charted, because they are the main products of the Central West. They are the ones with which the sheep and wool business must compete most.

The black line indicates production again. Beginning in 1889, jumping the 10-year period, and then taking one year at a time, you notice how during those first years, from 1909 to 1914 or 1915, before the war began, there was a comparatively stable price of wheat. Of course it went on up during the war. Everything went up. We are taking these figures before the war conditions entered in. You notice there was only an extreme difference of about 75 cents in the price of wheat for a period of five or six years.

Now, take swine. The black line again is the production line. The black figures are the production figures. Over here [indicating] the red figures indicate price and the red line is your price line.

Notice, again, during the same years that we had with wheat from 1909 over to 1914, before the war period, how there was a comparatively stable price, and that when it did vary it varied in proportion to the production. Here is a difference of a little over \$1 per hundred pounds for those five or six years.

Now, let us take corn. The production line fluctuates, and notice that the price line also fluctuates in proportion to it. In other words, supply and demand is having some effect. Notice that the variation in the prices, however, have not been radical, only perhaps a matter of 10 or 15 cents for those six or seven years—from 1909 to 1914.

Mr. DEWALT. Let me ask you a question there: What is the ratio or per cent of production during those nine years as compared with the per cent of price?

Mr. Goss. We use here for production a scale of every 100,000,000 bushels. Over here on price we use a scale of 10 cents.

Mr. DEWALT. But that does not answer my question. Say that you have 50 per cent increase in production, how much was the per cent increase in price, we will say, in the year 1909, or 1908, or whatever it may be?

Mr. Goss. I could not tell you that. I don't remember. I do not know that that makes any material difference, though. It does

indicate that supply and demand are running in proportion. This chart shows that.

Mr. DEWALT. I don't see how it shows it; unless you have got some figures. The mere drawing of a line up and down would not indicate anything to the committee, I think.

Mr. GOSS. Well, we can figure out this percentage basis. We have a difference here of 10 cents in price. We have a difference of 100,000,000 in production. We can take the time to figure that out, but it was worked out and the chart was drawn to proportion, for your convenience so you would not have to bother with figures.

Here is the sheep chart. I made this simply to show the decrease in the production of sheep. This only goes back to 1909 and down to 1920. There was not room to show figures for 1903 when we had 64,000,000 sheep, but you will notice there is a gradual decrease—a total decrease in that length of time of 25 per cent.

Mr. DEWALT. Now, there is a decrease of 25 per cent on the number of sheep.

Mr. GOSS. A decrease of 25 per cent in the number of sheep since 1903.

Mr. DEWALT. What was the decrease in price, the price of wool?

Mr. GOSS. We show only the price of sheep here—this is a sheep map.

Mr. DEWALT. I am talking about the price of wool. You have 25 per cent decrease in the number of sheep; now, what was the decrease in the price of wool during that same period, or the increase, whichever it may have been?

Mr. GOSS. You can not figure that definitely, because of this fact, which I am going to show you right now: Here is your wool map [indicating]; figures on the left are the production of wool. On the other map they were the production of sheep. The black line is your production of wool, which dropped down from 1909, as we said before, to 1918. Your price for wool, you will notice, varies; it jumps up and down. There is a fluctuation in price from year to year. Here is a jump from 1910 down to 1911 of from just below 21 cents down to below 16 cents, a fall of 5 cents, and that is on the pound basis.

Mr. SIMS. A drop of 5 cents?

Mr. GOSS. Yes; a drop, a fluctuation in price.

Mr. DEWALT. Pardon me for asking, but what is the utility of your chart unless you can show that the decrease in the number of sheep produced, comparatively speaking, an increase in the price of wool, and that is a proportionate increase or decrease, as the number of sheep either increased or decreased? If you do not have that upon your chart, it would seem to me that it is very informing, although I may be very much mistaken.

Mr. BARKLEY. Are you able to figure or can you in rough figures give the percentage of increase in the price of wool per pound from 1909 up to 1920?

Mr. GOSS. From 1909 to 1920? I can give you here the amount of increase.

Mr. BARKLEY. What is wool selling for now?

Mr. GOSS. The average price which the cooperative associations sold their wool at during the past year was about 61 cents. That is considerably above the average received for all wool sold from farms.

Mr. SIMS. What was it in 1909?

Mr. Goss. The average price in 1909 was 17 cents.

Mr. PARKER. According to your chart there the supply and demand has nothing to do with the sheep business?

Mr. Goss. That is the point I am trying to show you, that supply and demand in the wool business does not have much to do with it—with the sheep business—that is, with the sheep as a meat product it does.

Here are some of the grades of wool, showing the variation in price [indicating.] Here are two grades which we have taken as representative, Ohio unwashed medium, Ohio unwashed fine. Notice how the prices fluctuate from one year to the next. They went in the case of Ohio unwashed medium from 20 cents in 1901 up to nearly 35 cents in 1905. From 27 cents in 1908 it went to 36 in 1909 and back down the next year. Those are just two of the common grades.

Here is another map showing some of the other grades of wool. They are some of the common, ordinary grades which we have for sale, namely, staple fine, clothing fine, staple medium, clothing medium—notice how these prices have varied from year to year.

In other words, it seems to me that with the staple farm products the indication is from these charts that supply and demand have had more or less effect upon the price; with wool production, supply and demand has not been the factor which has determined the price.

Mr. PARKER. I wish you would turn back to that chart of wool. Your red line is the price?

Mr. Goss. That is the price line [indicating].

Mr. PARKER. And the black line is the production?

Mr. Goss. The black line is the production.

Mr. PARKER. How do you account for the fact that the price goes up there, and the production of wool goes down?

Mr. Goss. I don't account for that. That is what I am trying to show.

The CHAIRMAN. What years are they?

Mr. Goss. Those are from 1909 on to the present.

The CHAIRMAN. I mean when the fluctuation took place, when they began to deviate?

Mr. Goss. That was just before the war, in 1914.

The CHAIRMAN. It might have been due to war conditions?

Mr. Goss. That has been the case with all crops. Wheat jumped up then, corn jumped up, pork jumped up—that was the case with everything.

Mr. PARKER. The thing that surprises me is that you have got a tremendous increase in price there, and right along beside it you have got a decrease in production?

Mr. Goss. Yes, sir; there has been a decrease in production; there has also been an increase in human population as well as price.

Mr. PARKER. They go along together until we get this tremendous increase in price, and then production drops off, apparently.

Mr. Goss. Production was dropping off all the way down.

Mr. PARKER. But I mean it dropped off in correspondence with the price, until this last raise, and in the last one you get a raise in price and a decrease in production which I don't understand. I was trying to figure out in my own mind why it was.

A VOICE. Right there the dog interferes in the production.

Mr. PARKER. You would expect that the increase in price would stimulate production instead of dropping it down, because your price goes right on after the chart stops showing production.

Mr. SIMS. The war price was abnormal.

Mr. WALKER (president of the Ohio Wool Growers' Association). I just want to inform the gentleman on one point, if it is permissible.

The point you have in mind is why production went down and price went up. Increasing the number of sheep is a slow process, while decreasing is a very rapid process. If you will notice when the price went down, that was the time men got out of the sheep business; when the price went up the production was not there, because it takes three years to produce a full grown sheep.

Mr. PARKER. I don't want to take any more time, but it is not in accord with what your chart shows. Your chart shows a steady increase in price all the way and a marked falling off in production.

Mr. WALKER. I thought you meant from one year to another.

Mr. PARKER. No; I was taking it right along.

Mr. WALKER. That could be brought about if a condition existed one year which caused a very material loss in the price of wool or mutton, and then the flocks would be sent to market. You have reduced production, and you can not get that back under a number of years, because it is a slow process, because they only increase about 80 per cent each year.

Mr. WINSLOW. And then the price would go up?

Mr. WALKER. Then the price would go up because the production is less.

Mr. WINSLOW. And that is the reason the price went up?

Mr. WALKER. That is one reason. War conditions is another reason.

Mr. Goss. Last Saturday I was down to a meeting at the Kansas State Agricultural College of live stock producers. There were about 1,000 or 1,500 producers there, and in some way or other it leaked out through the head of the sheep department that I was coming down here. Those men of their own accord unanimously voted this expression:

Tell the Interstate Commerce Committee that we favor the "Truth in Fabrics" bill because we believe it will make sheep husbandry stable.

I believe that the French bill, this Truth in Fabrics bill, will tend to stabilize the prices of wool, because it will allow the factor of supply and demand to operate, as it does with other things.

Now, you are in a hurry, and I will stop there, gentlemen.

(The charts to which Mr. Goss referred are herewith reproduced.)

Southern States.

State.	Number of sheep.		State.	Number of sheep.	
	1915.	1920.		1915.	1920.
Virginia.....	720	714	Alabama.....	119	137
West Virginia.....	796	772	Tennessee.....	674	584
North Carolina.....	177	144	Mississippi.....	208	105
South Carolina.....	32	27	Louisiana.....	180	220
Georgia.....	163	125			
Florida.....	169	107	Total.....	3,183	3,015

¹ NOTE.—173=5.5 per cent decrease.

Midwest States.

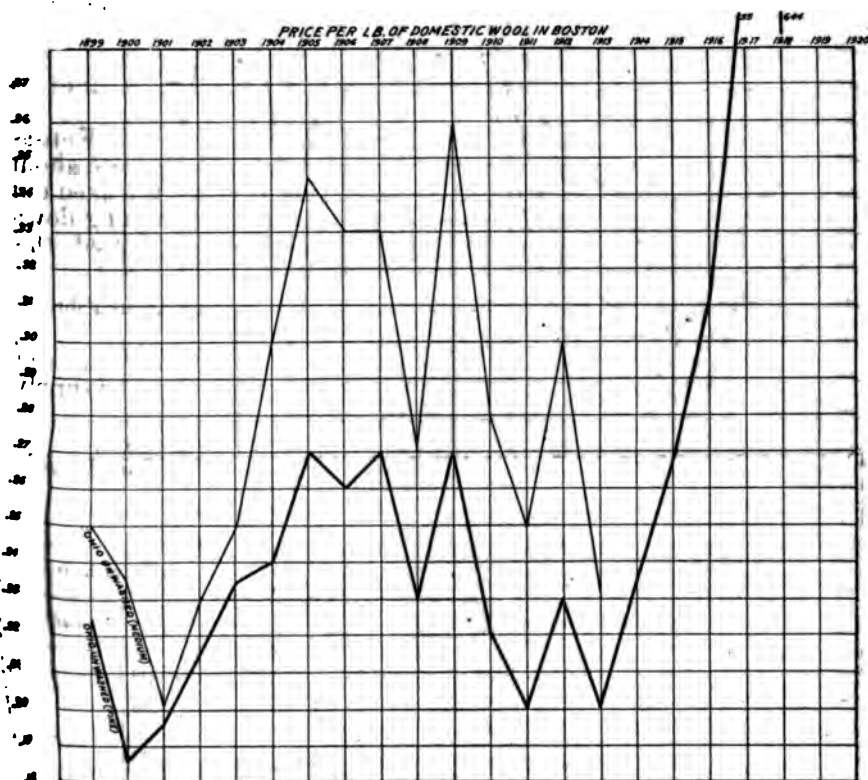
State.	Number of sheep.			
	1910	1915	1918	1920
Ohio.....	3,203	3,263	2,980	3,010
Indiana.....	1,227	1,114	1,078	1,089
Illinois.....	817	935	1,000	1,010
Michigan.....	2,151	2,033	2,119	2,224
Wisconsin.....	1,034	781	680	687
Minnesota.....	482	564	642	668
Iowa.....	754	1,249	1,270	1,321
Missouri.....	957	1,490	1,495	1,525
North Dakota.....	621	250	265	286
South Dakota.....	829	636	810	850
Nebraska.....	393	374	294	323
Kansas.....	278	316	460	506
Kentucky.....	1,060	1,229	1,274	1,236
Oklahoma.....	108	76	125	131
Arkansas.....	233	190	161	201
Total.....	14,147	14,440	14,653	15,067

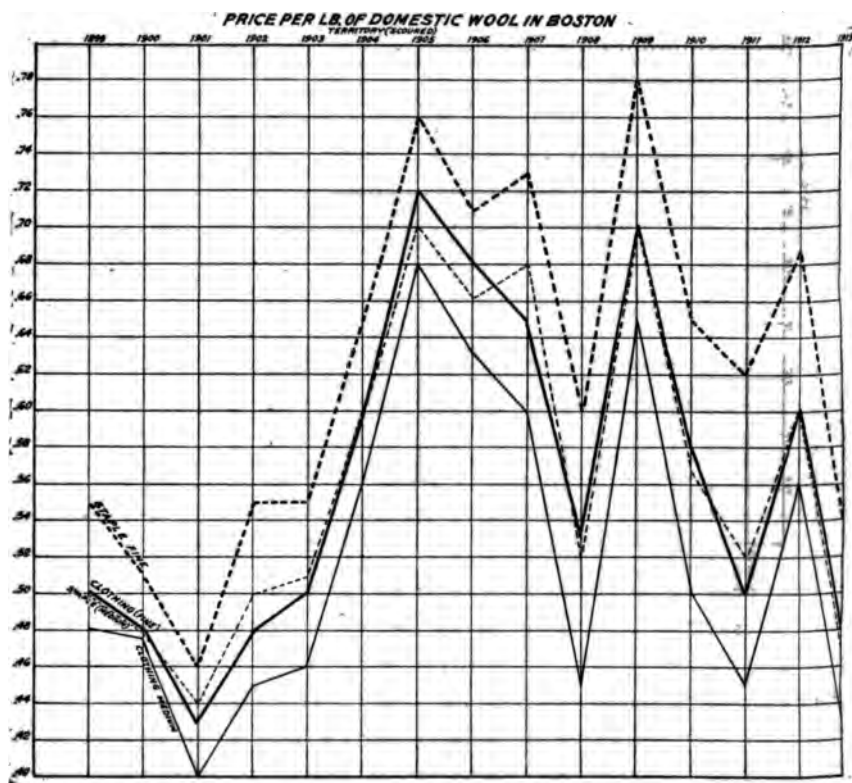
NOTE.—4.3 per cent increase.

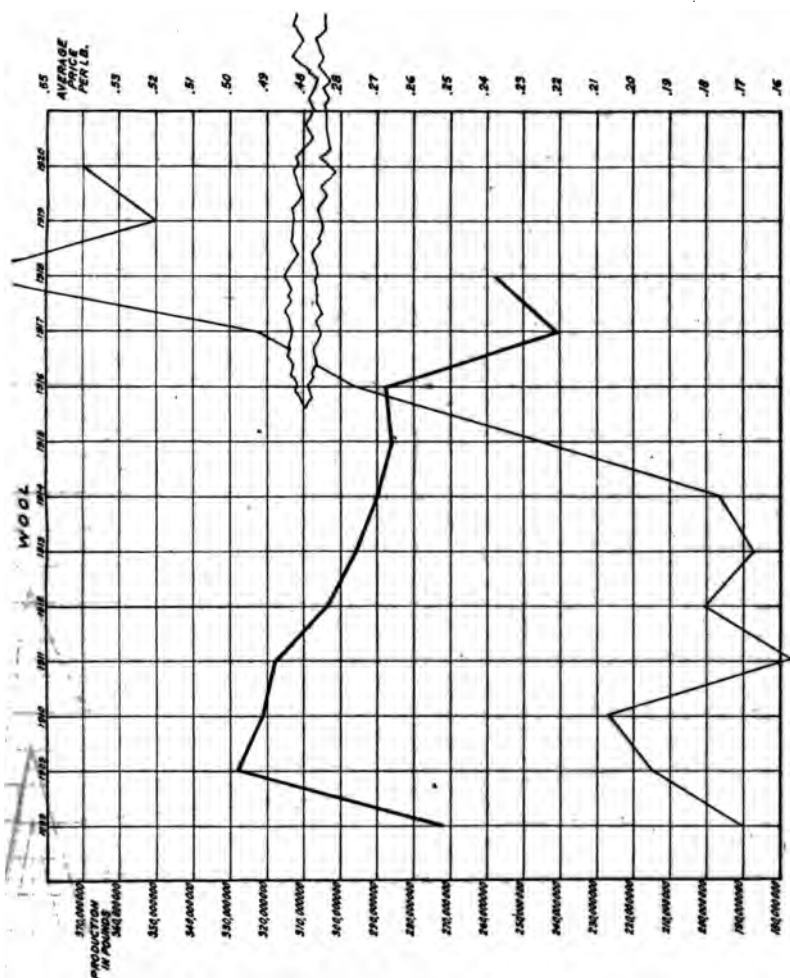
Western States.

State.	Number of sheep.		State.	Number of sheep.	
	1910	1920		1910	1920
Montana.....	5,747	2,791	Utah.....	3,177	2,245
Wyoming.....	7,316	3,200	Nevada.....	1,585	1,696
Colorado.....	1,729	2,121	Idaho.....	4,248	3,234
New Mexico.....	4,729	2,638	Total.....	29,551	19,025
Arizona.....	1,020	1,300			

NOTE.—10,526—36 per cent decrease.

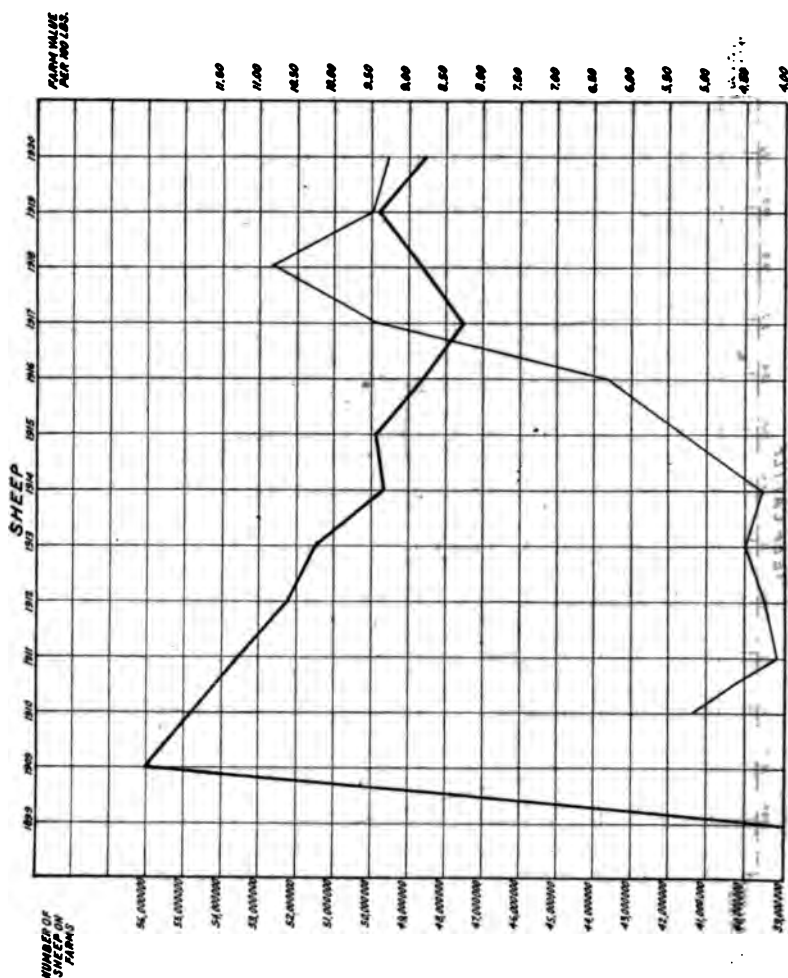




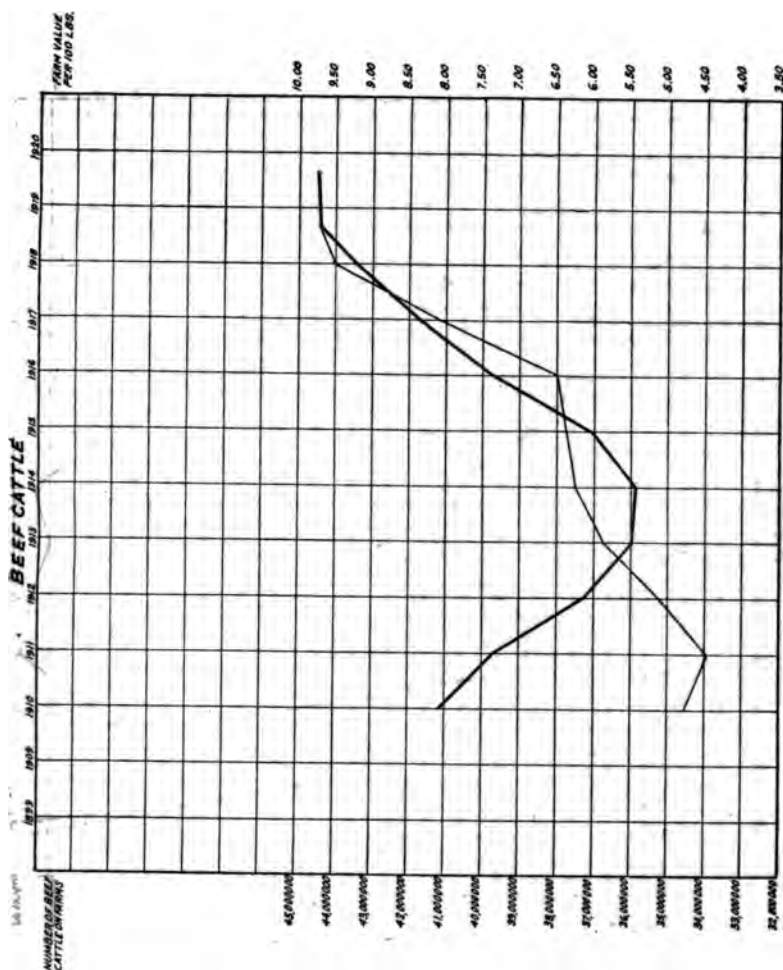


Wool production.

	Production, in pounds.	Average price per 100 pounds wool (un- washed).		Production, in pounds.	Average price per 100 pounds wool (un- washed).
		Cents.			Cents.
0.....	272,191,330	17	1915.....	285,726,000	22.5
9.....	328,110,749	23	1916.....	298,490,000	27.6
0.....	321,362,750	20.7	1917.....	241,822,000	47.2
1.....	318,547,900	15.9	1918.....	257,921,000	58
2.....	304,043,400	18	1919.....		51
3.....	296,175,300	16.7	1920.....		53
4.....	280,192,000	17.6			

*Sheep.*

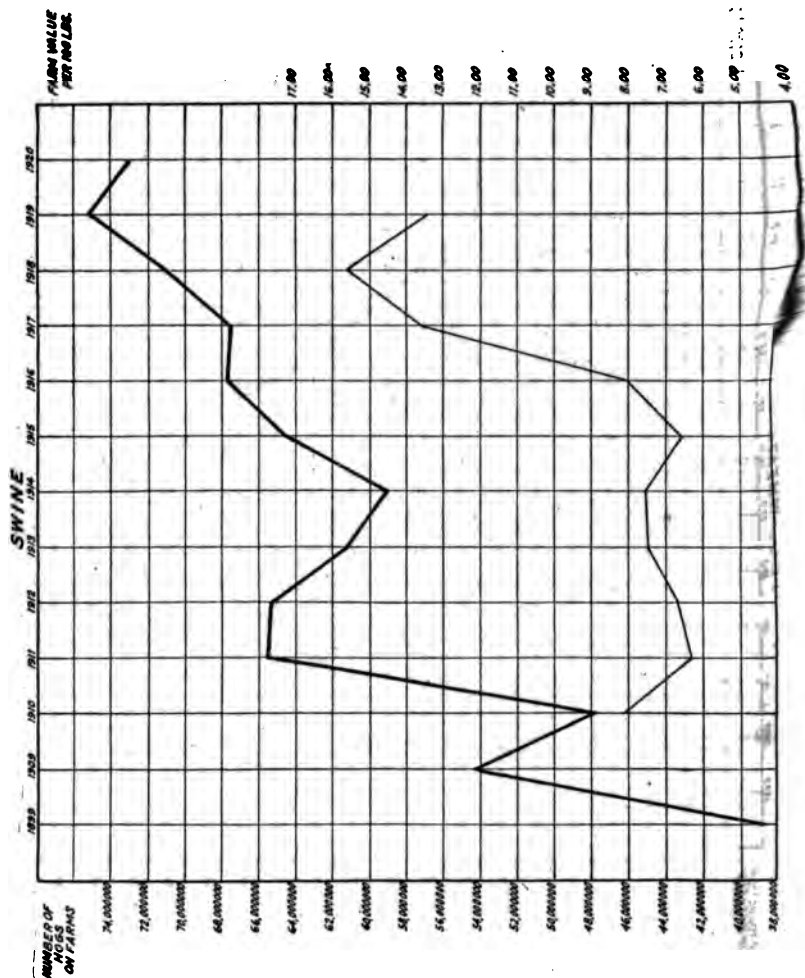
	Number sheep on farms January 1.	Farm value per 100 pounds.		Number sheep on farms January 1.	Farm value per 100 pounds.
1899.....	39,114,000	.....	1915.....	49,956,000	\$5.25
1900.....	56,084,000	.....	1916.....	48,625,000	5.21
1910.....	57,216,000	\$5.21	1917.....	47,616,000	5.41
1911.....	53,633,000	4.14	1918.....	48,603,000	5.25
1912.....	52,362,000	4.24	1919.....	49,863,000	5.25
1913.....	51,482,000	4.54	1920.....	48,615,000	5.14
1914.....	49,719,000	4.80			



Beef.

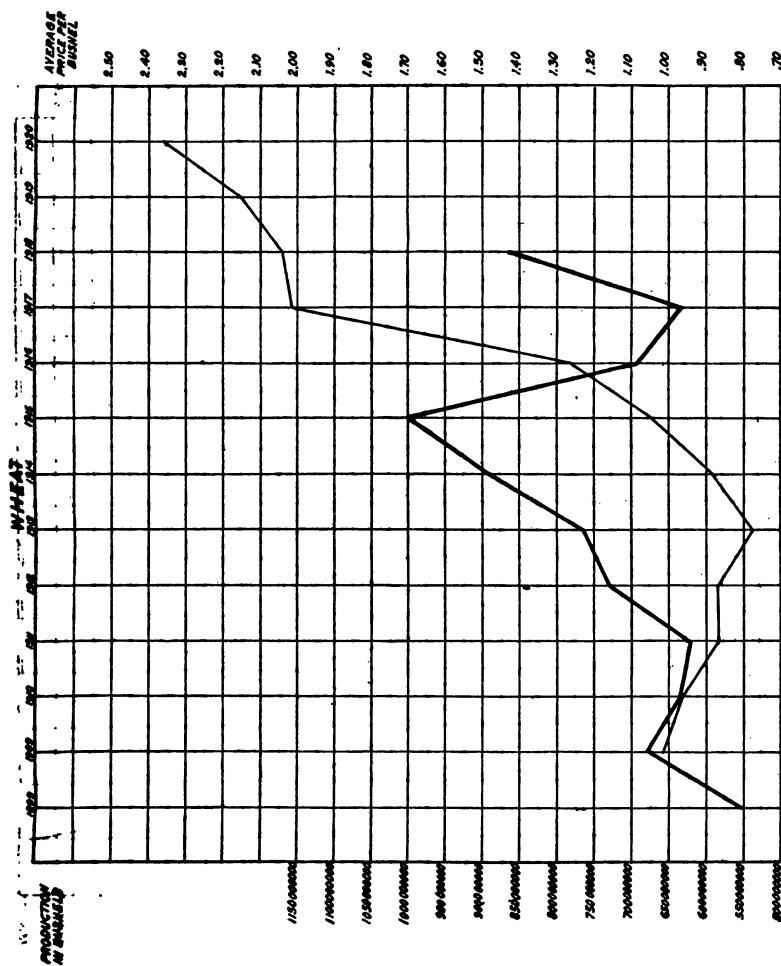
	Number on farms.	Farm value per 100 pounds.		Number on farms.	Farm value per 100 pounds.
1909.....			1915.....	37,067,000	\$6.01
1910.....			1916.....	39,812,000	6.43
1911.....	41,178,000	\$4.80	1917.....	41,689,000	8.14
1912.....	39,679,000	4.47	1918.....	43,546,000	9.45
1913.....	37,030,000	5.11	1919.....	44,399,000	9.72
1914.....	36,030,000	5.90	1920.....	44,485,000	.....
	35,855,000	6.24			

MERCHANDISE MISBRANDING BILLS.



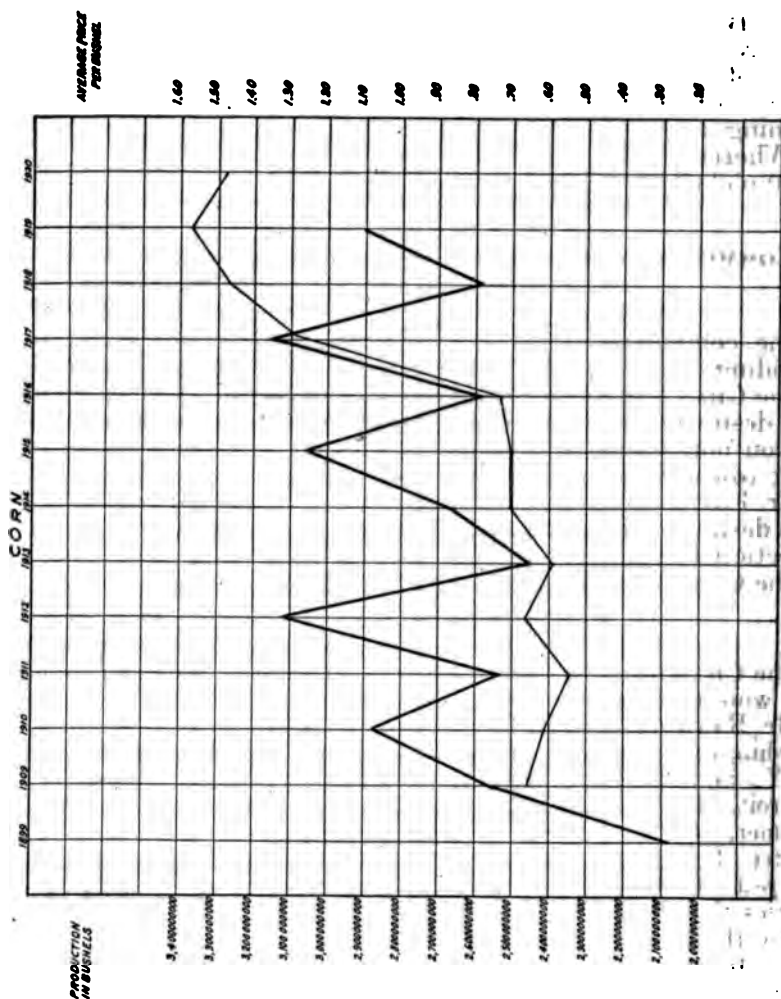
Swine.

	Number on farms Jan. 1.	Farm value per 100 pounds.		Number on farms Jan. 1.	Farm value per 100 pounds.
1899	38,652,000	.....	1915	64,618,000	8.20
1900	54,147,000	.....	1916	67,766,000	8.04
1910	47,782,000	8.16	1917	67,803,000	12.07
1911	65,620,000	8.29	1918	70,978,000	12.09
1912	65,410,000	8.71	1919	74,584,000	12.09
1913	61,178,000	7.80	1920	72,900,000	11.15
1914	58,933,000	7.57			



Wheat.

	Production in bushels.	Average price per bushel first of each month.		Production in bushels.	Average price per bushel first of each month.
1899.....	547,303,846	101.3	1915.....	1,011,595,000	105.2
1900.....	683,350,000	96.5	1916.....	639,886,000	125.9
1901.....	635,121,000	86.9	1917.....	636,655,000	200.8
1911.....	621,338,000	87.4	1918.....	917,100,000	204.3
1912.....	730,267,000	78.4	1919.....		215.5
1913.....	763,380,000	88.4	1920.....		235.7
1914.....	891,917,000				



Corn.

	Production in bushels.	Average price per bushel first of each month.		Production in bushels.	Average price per bushel first of each month.
1899.....	2,078,144,000	65.9	1915.....	3,054,535,000	71.3
1900.....	2,552,190,000	62.1	1916.....	2,583,241,000	75.3
1901.....	2,886,260,000	55.3	1917.....	3,159,494,000	126.7
1902.....	2,531,488,000	67.6	1918.....	2,582,814,000	147.3
1903.....	3,124,748,000	59.4	1919.....	2,900,511,000	157.6
1904.....	2,446,988,000	71.4	1920.....		146.3
1905.....	2,672,894,000				

Mr. BARKLEY. Before we adjourn I would like to ask this question: Is there any one here from out of town who is here to testify on any phase of the so-called misbranding bills? (There was no response.)

The CHAIRMAN. We will adjourn now until 10.30 o'clock to-morrow morning, and we will hear as many witnesses as we can to-morrow.

(Whereupon, at 4.45 o'clock p. m., the committee adjourned until 10.30 o'clock a. m., Friday, March 26, 1920.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Friday, March 26, 1920.

The committee on this day met, Mr. John J. Esch (chairman) presiding.

The CHAIRMAN. The committee will come to order. Mr. French, you desire to have some out-of-town witnesses heard this morning, do you not, witnesses that have come a great distance and desire to leave town this afternoon?

Mr. FRENCH. Yes, Mr. Chairman; there are some witnesses here who desire to leave as early as possible, but if the committee has no objection I should like to have Mr. Reynolds heard first.

The CHAIRMAN. Yes; very well.

STATEMENT OF MR. E. E. REYNOLDS.

The CHAIRMAN. Mr. Reynolds, will you state your name, address, and whom you represent?

Mr. REYNOLDS. E. E. Reynolds, 217 Park Avenue, Takoma Park, Washington, D. C. I am the editor of Rural Life, of Rochester, N. Y., and the Washington representative of the Michigan Farmer, Detroit, The Ohio Farmer, of Cleveland, and the Pennsylvania Farmer, of Philadelphia. Mr. Chairman and members of the committee, I will say that my personal interest in this matter is the interest of every citizen who desires to know the contents of the fabrics that he buys. My interest for the public is the interest of many thousands of people who have desired to know the contents of the fabrics that they buy. Now, in my position I am able to keep in touch with the sentiment of a large number of farmers throughout Michigan, Ohio, New York, and Pennsylvania, and I find that there is no question in their minds to-day that is occupying any greater attention than this question of pure fabrics, and it is also reaching the consumers. The New York State Federation of Sheep Breeders Associations on the 28th day of February passed resolutions declaring in favor of a bill similar to the French bill, embodying its essential provisions.

They have been agitating this question among the sheep breeders and farmers for quite a long time, and I can assure you, gentlemen, that this agitation has not come as the result of propaganda of any large organization, but has developed from the people themselves, and I find that men in other occupations are taking up the question and discussing it, and they feel that there is need for legislation on this subject. The Agricultural Commission of the Michigan State Bankers' Association a short time ago investigated this problem, and passed resolutions favoring a pure fabric law. There are many other organizations of farmers and bankers that are considering this question. I am interested in it from the producer's standpoint to the

extent that I am editor of an agricultural paper, and represent farm papers that voice the sentiments of the farmers and that stand for the interests of the farmers and of the producers; and as a citizen I am interested in this subject for the future of the country. When this war with Germany began, I wonder what would have been the condition of this country if the United States had been fighting against the British Empire instead of being an ally of the British Empire. The latest statistics that I have show that one-third of all the wool used in textile manufacture of woven goods purporting to contain wool manufactured in the United States is largely imported from the British Empire.

I am afraid that if we had been fighting the British Empire our soldiers would have had to go without woolen clothing, and for the country's protection I maintain that the public at large has some interest in this question beyond the interest of the consumer or the interest of the producer. Our friends have in a measure attempted to show that shoddy is a material that has a place in textile manufactures, but I think that their comparisons have been misleading, that they have misrepresented the subject in their comparisons, because they say that certain grades of shoddy are just as good as certain other grades of wool; but they do not attempt to show, I do not believe they could show, that the best grades of shoddy are as good as the best grades of wool. If we are going to make any comparison we should compare the better grades of shoddy with the better grades of wool, and the poorer grades of shoddy with the poorer grades of wool, in order to get a fair comparison.

A question similar to this came up a number of years ago about the manufacture of oleomargarine. Perhaps you remember the agitation that sprang up against allowing manufacturers of oleomargarine to sell their product as an imitation of cow butter. It came up in every legislature and in Congress. They came before Congress and they came before the State legislatures with claims just as we have heard at these hearings, that to be compelled to sell oleomargarine as oleomargarine would ruin the industry. It was unfair to the product. They had samples and they showed a fine quality of their product, and protested against any legislation that would prevent the selling of that product as cow butter because it would injure their trade and would injure the people by denying them a wholesome food product that had a place in the world's trade. They said that the people had a prejudice against the name "oleomargarine" the same as these men say the people have a prejudice against the name "shoddy," but I think in both instances the ones that are to blame for this prejudice are the manufacturers themselves. If you have a product that you are putting on the market that you are afraid of having the people know its true character, you create a suspicion and a prejudice. That was the case with the oleomargarine manufacturers and is the case with shoddy. The oleomargarine manufacturers said if the people knew their product was oleomargarine when put on the market, they would not buy it, but they were wrong—the people did buy it. The manufacturers said they could not market it because it would be so expensive to put it up with all these markings on it that it would be an extra cost to the public. But that was overcome, just as this can be overcome, this stamping of woolen fabrics. At the time when that agitation was on I believed that if those manufacturers would put their oleomargarine on the market as oleomargarine and sell it as oleomar-

gerine they would not ruin the industry. The people would find out about its quality and buy it on its merits. It is now sold in every grocery store. You can see packages with oleomargerine printed across them, and the people are buying it on its merits. It is not selling for creamery butter, and it is not selling at the price of creamery butter, but it is selling at a fair price, so that the manufacturers are willing to manufacture it, and I have not heard any complaints from the manufacturers that they are not making a profit out of it. There is nothing against oleomargerine, only that it should be sold on its own merits as oleomargerine. The same way with shoddy. Shoddy, these gentlemen say, is a good article. If it is a good article, and is put on the market as shoddy, I believe the people will soon come to know that it is a good article, and if they want shoddy they will buy shoddy, but they will not pay the price that they will pay for wool, all wool, genuine virgin-wool goods.

Mr. BARKLEY. Is there some way to change the name of shoddy to something like "experienced wool" so that it will not be as odious to the mind of the buyer?

Mr. REYNOLDS. The oleomargerine manufacturers have tried to change the label, to get around the name oleomargerine, but they find that oleomargerine sells just as well as all these other fancy names; and I do not see why shoddy would not sell if the people found that it was a good article. I believe that it would. It never has been put on the market. How do these men know that it will not sell as shoddy? You go into a clothing store and undertake to buy a suit of clothes. No one tells you that it is made of shoddy. How do they know that it will not sell as shoddy?

Mr. MERRITT. May I interrupt you, sir, to ask a question?

Mr. REYNOLDS. Certainly.

Mr. MERRITT. You said a moment ago that it was contended that certain grades of shoddy were better for making cloth than certain grades of wool. Do you deny that?

Mr. REYNOLDS. How is that?

Mr. MERRITT. It has been contended here that certain grades of new wool are not equal in the manufacture of cloth of certain grades as shoddy.

Mr. REYNOLDS. That is true, but I maintain——

Mr. MERRITT (interposing). I only want you to answer that question. That is true—that it may be so?

Mr. REYNOLDS. It may be that certain grades of shoddy may be even better than certain grades of wool.

Mr. MERRITT. Well, now, then, you want to protect the public?

Mr. REYNOLDS. Yes.

Mr. MERRITT. Yes, that is your fundamental idea. Now, that being so, would it not be true that a cloth which was marked truly "all new wool" and therefore would sell at a higher price, in your judgment, than a cloth that was marked "all shoddy," might act as deception instead of information?

Mr. REYNOLDS. It is hard to make any law to cover all those points, but I maintain that the better grades of wool are better than the better grades of shoddy.

Mr. MERRITT. Does not that come down to the contention of the gentleman from the Bureau of Standards that if you are going to

accomplish anything you have got to adopt standards irrespective of what the thing is made of?

Mr. REYNOLDS. He made a good point on that, if you want to go that far.

Mr. MERRITT. What you maintain, sir, in my judgment, is to show that the markings provided by the French bill will give useful and accurate information.

Mr. REYNOLDS. Yes, I believe it will, not to the extent that we would like, but you can go further if you are willing to, and no one will have any objection that I know of; that is, the consumers. A man is buying a suit of clothes, for example. Now, there is the first grade of wool, and the first grade of shoddy. One is marked virgin wool and the other is marked shoddy. On the shoddy, the manufacturer can put, if he wants to, that it is the better grade of shoddy.

Mr. MERRITT. Do you think if a manufacturer made a cloth of all new wool of a very poor grade that he would want to put that on?

Mr. REYNOLDS. How is that?

Mr. MERRITT. Suppose a manufacturer made an all-wool cloth of all new wool of an inferior grade, inferior to shoddy, you say that if he wanted to put that grade on the cloth he could do it, but would he do it?

Mr. REYNOLDS. Oh, no, that would be against nature.

Mr. SIMS. It may be that the manufacturers would not object to having any fabric that is made out of virgin wool marked this way: "No cotton or reworked wool in this fabric." Give them a negative brand and then let everything else go, and let everybody buy shoddy that wants to buy it. It is neither marked shoddy or otherwise, and any man who wanted a garment that was all virgin wool or new wool would get it because every such garment as that would be branded or marked "No cotton or reworked wool in this fabric." Perhaps the manufacturer would be glad to adopt that kind of a marking. Have you thought of that feature of it?

Mr. REYNOLDS. No, as I say, it has been discussed and discussed in different organizations and among individuals who have made a study of it, and they feel that the French bill or something similar that would require the stamping on of the different ingredients, "all virgin wool," or "shoddy," would perhaps be as fair a standard as they could get under the circumstances. You can not get everything.

Mr. COOPER. I think the point that Mr. Merritt was trying to make was this, that under the French bill there is going to be no distinction in the stamping of a piece of virgin-wool cloth, as to whether or not it was made out of the highest grade of virgin wool or the poorest grade.

Mr. REYNOLDS. If you can make a distinction I think it would be very acceptable, there is no doubt about that. If you could pass a law that would make such a distinction I think it would certainly be desirable.

Mr. COOPER. I want to ask you another question. For example, here are two pieces of cloth that are both marked "virgin wool." They are put into a suit of clothes. Now, I, as a consumer, go there to buy a suit of clothes. I do not know the difference between these two pieces of cloth. Both are stamped virgin wool, although one is made out of inferior cloth of virgin wool, and one is made out of a very high grade of cloth of virgin wool. That was the point Mr. Merritt was trying to make, was it not?

Mr. MERRITT. Yes.

Mr. REYNOLDS. If you might remedy that.

Mr. MERRITT. It is up to you to answer that. You are the man that is going to answer that.

Mr. SIMS. It seems to me that anybody would want that answered, anybody looking after the public interest.

Mr. BARKLEY. Would it be practicable to mark a garment or a piece of cloth made wholly of virgin wool so as to indicate the character of wool out of which it was made? Would that be practicable? Would it be a practicable proposition to say, for instance, "This cloth is made out of the highest grade of virgin wool." "This cloth is made out of a medium grade of virgin wool," or "This cloth is made out of the lowest grade of virgin wool"? Would that be a practicable proposition?

Mr. REYNOLDS. It might be a good idea to standardize it in "A grade virgin wool," "B grade virgin wool," or "A grade shoddy," "B grade shoddy," or whatever you want, or first grade, second grade, third grade, and so on. Anybody would naturally know that A grade or the first grade was better than B grade. That would be the natural supposition, would it not?

Mr. BARKLEY. There are differences or variations in quality even in what is known as A-1 or B-1, and so on.

Mr. REYNOLDS. Yes. This bill that we have before us seems to come as near to it as anything that we can give the consumer, that is, for the purpose of giving the consumer some idea of what he is buying.

Mr. BARKLEY. A while ago you illustrated the benefits of this kind of legislation by referring to the matter of oleomargarine. Are you able to say—I am asking this question for information, because I do not know—are you able to say whether or not oleomargarine before the marketing of it as such has increased in quality above what it was before it was marked oleomargarine, or when it was sold as butter?

Mr. REYNOLDS. I think it has, to a certain extent. I think the development of the processes of manufacture of oleomargarine has brought about improvements.

Mr. SIMS. There is no doubt that it has been improved through improvement of the methods of manufacture.

Mr. BARKLEY. Would you not feel that if you had to mark the thing as it really is and not sell it under another name, if it is sold on its intrinsic merits that it would have to be better than it previously was in order to sell it on its merits?

Mr. REYNOLDS. Well, perhaps it would. But what I wanted to speak of is the unfair competition of shoddy with virgin wool. That was one of the points that I wanted to bring out.

Mr. COOPER. Mr. Chairman, before the gentleman goes on with that, may I ask one more question?

Mr. REYNOLDS. Certainly.

Mr. SIMS. At the beginning of your statement you stated that you were interested in this question from the standpoint of the public.

Mr. REYNOLDS. Yes.

Mr. COOPER. Now, that is true with this committee. I myself personally would like to do something to encourage the wool growers of this country. I think it is an industry that ought to be encouraged, yet, at the same time, in considering a question like this we have got to consider it from the standpoint of the general public. You will admit that.

Mr. REYNOLDS. Yes; certainly.

Mr. COOPER. As I have said, I would like to encourage the wool growers. We must be careful in the passage of legislation of this character not to do something that might deceive the public, in having the public think they are getting something that they are not getting. In connection with the question you asked a moment ago, I want to have this clear in my mind—if legislation of this character is enacted you think there will be some protection to the public in the grading of these wools. A piece of fabric made out of virgin wool, to specify whether it is the highest grade of virgin wool or whether it is the poorest grade of virgin wool—now, what is your idea about that?

Mr. REYNOLDS. I believe that if that could be done it would be desirable.

Mr. COOPER. If it can not be done, is there not some danger of deceiving the public?

Mr. REYNOLDS. I will tell you this, if you want to rely on the opinions of men who have made this a study for some years, the wool growers have been investigating this subject and they have decided that this "truth in fabric" bill practically embodies the result of their investigation as being the best method that could be got, under certain conditions, of meeting the problem.

Mr. COOPER. The State I represent at one time used to be a great wool-growing State, and it is to this day to some extent. As I say, I am intensely interested in the production of a wool crop, and I want to encourage it, but yet I am not satisfied that the provisions of the French bill would protect the public against buying an inferior grade of wool cloth when in reality they might think they are buying a very fine article. That is the point I am trying to make.

Mr. JONES. There are only two things, I take it, in which the public or purchasers are interested—first, the appearance of a suit or fabric, and, second, the durability or practicability of the cloth for the purpose desired. That is true, is it not?

Mr. REYNOLDS. Yes.

Mr. JONES. Are there any other considerations entering into the purchaser's mind except those two features—of course the price enters into it always—but there are no other considerations entering the purchaser's mind; is not that true?

Mr. REYNOLDS. Certainly.

Mr. JONES. Now, so far as the appearance is concerned, they need no information, as that is only a question of taste—I might like a piece of cloth and you might not like it. When it comes to the other point, the practicability or the durability of the cloth, will you kindly point out to me where the French bill would give any information on that point?

Mr. REYNOLDS. Well, only that the better grades—

Mr. JONES (interposing). Well, now, you have read the bill, have you not?

Mr. REYNOLDS. Yes, sir.

Mr. JONES. And you have read what is required in the marking or stamping of the cloth?

Mr. REYNOLDS. Yes.

Mr. JONES. Well, now, will you kindly tell me whether that marking or stamping would give any information to the purchaser of the durability of the cloth that he was buying?

Mr. REYNOLDS. The only argument that I can put up, or anybody else that I know of, is that the better grades of the virgin wool are better than the better grades of shoddy. The medium grades of virgin wool would be better than the medium grades of shoddy.

Mr. JONES. Put it this way, following Mr. Cooper's questions—Suppose a merchant would show you two pieces of cloth, each one of them has a stamp on it that it contains 80 per cent virgin wool.

Mr. REYNOLDS. Yes.

Mr. JONES. And 20 per cent something else. Under the French bill that is all it need say, as to what it contains in the wool line—80 per cent wool, or virgin wool. Now, suppose, as a matter of fact, that one of those samples that are shown you has 80 per cent of a very cheap grade of virgin wool, and the other sample has 80 per cent of the very best grade of virgin wool. The information to you, if depending upon the stamp or tag, would mean nothing, would it? If you depended on the stamp or tag you would get no information as to which of those two samples would be the better, if there was any difference between them?

Mr. REYNOLDS. I do not know as it would.

Mr. JONES. And to a person not being familiar with fabrics he would assume that they were both of the same quality, as they were both described the same, so far as the virgin wool was concerned.

Mr. REYNOLDS. Well, that might be.

Mr. JONES. And then he would have the right to assume that they would have the same durability, would he not?

Mr. REYNOLDS. Do you realize that it is almost impossible—

Mr. JONES (interposing). Answer that question, please. Would he not have the right to assume that they would have the same durability?

Mr. REYNOLDS. Possibly he would.

Mr. JONES. Then, as a matter of fact, he would be misled, would he not?

Mr. REYNOLDS. No more misled than he is now, that I know of.

Mr. JONES. Then there would be no purpose in the law if it gave the purchaser no more information that he now has?

Mr. REYNOLDS. We feel that there would be a purpose in it.

Mr. SIMS. Right on that point.

The CHAIRMAN. Are you through, Mr. Jones?

Mr. JONES. Yes.

Mr. SIMS. The theory in opposition to this bill, as I understand it, is, that it would not make it impossible for anybody to be deceived or to misjudge the quality of the cloth or fabric. Now, take it as it is now, and take it as it would be if the French bill were to become a law substantially as it is, it would afford the courts an opportunity to deal with the situation when the people are played upon, cheated, and swindled as they are now.

Mr. REYNOLDS. I think the gentleman who appeared here yesterday, the buyer for the Government, said that the Government used all wool, that is, virgin wool, in its fabrics because it was better in the clothing that they make for the soldiers; and the question was asked by Mr. Dewalt why they used pure virgin wool in those garments—I think it was in clothing—and he also asked why they did not use shoddy? The witness said it was better because the virgin wool they had was better than the shoddy that they could get. It is reasonable to suppose that virgin wool of the same grade, or the grade that is put into clothing, is better than shoddy, and the person

who is buying virgin wool clothing would be willing to pay more for it than he would be willing to pay for shoddy.

Mr. COOPER. That is about the point I was going to make. The French bill will probably do everything it is intended to do. Now, what about grading the wool?

Mr. BARKLEY. Does the French bill require any grading?

Mr. REYNOLDS. No.

Mr. SIMS. I assume we can make it require anything we think necessary in order to carry out its purposes and intent.

Mr. REYNOLDS. So far as I am concerned, I would like to have that added on to it.

Mr. BARKLEY. Will you permit a question there? Would you advocate legislation of this sort for all commodities?

Mr. REYNOLDS. I think the Rogers bill and the Barkley bills are all right so far as they go.

Mr. BARKLEY. I know, but they are based on a different theory than this French bill.

Mr. REYNOLDS. Yes.

Mr. BARKLEY. I am speaking now of compulsory branding of all articles of commerce. Do you think that that would be a practicable or wise piece of legislation?

Mr. REYNOLDS. We are advocating that in the pure-seed bill and in the fertilizer bill.

Mr. BARKLEY. I am not myself able to say if there is any greater need for legislation for any of those commodities than any other commodities. Are you able to state whether there is any greater need for this legislation in the woolens trade than for other commodities in interstate commerce?

Mr. REYNOLDS. I really think there is.

Mr. BARKLEY. Is there more need for it than there is for it in another trade?

Mr. MONTAGUE. I think the fertilizer bill requires the manufacturers to stamp the package.

Mr. REYNOLDS. The fertilizer manufacturers stamp on the outside of the bag, they have for years, the amount of the contents.

Mr. JONES. Speaking of the grading of this virgin wool, there are probably six or seven or eight different grades of virgin wool, are there not?

Mr. REYNOLDS. Yes.

Mr. JONES. If these various grades are put on tags there would have to be steps somewhere in these grades. Say, for my purposes, for instance, to put it that way, I would prefer not to go below the grade of virgin wool. Now, I am wondering where you would draw the line as to these different grades.

Mr. REYNOLDS. Take the apple grading act, they have three grades, and I believe some States have four grades. You can not put all the grades—

Mr. JONES (interposing). Yes, but they can see the apples, and the purchaser can generally tell by looking at the apples what grade he wants, but I am assuming now that the stamping under the French bill would require that the stamp should show the grade of the virgin wool that is in the cloth, not only the percentage but the grade of the wool that is in there. I wonder how the average person would be able to tell whether they ought to buy that grade of cloth, or whether they should stop and go into the shoddy line.

Mr. REYNOLDS. I suppose it could be graded in three grades. I suppose three grades would cover it mostly. You can not get it down fine, to every possible grade.

Mr. FRENCH. I do not want to interrupt Mr. Reynolds, but there are several persons here who are working against time. I do not want to interrupt Mr. Reynolds if he is about through, but if Mr. Reynolds is not nearly through now I wonder if we could wedge some one in, as there are several here who want to take the afternoon trains.

The CHAIRMAN. I was going to suggest that there are some witnesses here who desire to get through by noon to-morrow. We have not put a limit on any witnesses so far, and it is not our desire to put a limit on any witness. We want to get all the information that we can, but we have got to realize that we must conserve our time.

Mr. REYNOLDS. I think I can get through in a few minutes, unless you want to cross examine me.

The CHAIRMAN. Very well, then, just proceed.

Mr. REYNOLDS. Now, then, I wish to call attention of the committee to some ads that I saw in the paper last night, The Star, showing how the dealers, the retailers, play on this "all wool." "These \$15 all wool blue serge suits \$12.85." Wool, virgin wool, has to come in competition with all that stuff! Now, I wish to show you the amount of virgin wool that you use, according to this book here. "Arguments Against the 'Truth in Fabric' Bills," which shows that of virgin wool, the scoured virgin wool, and that is the only basis on which we can compare it with shoddy, there were 257,400,000 pounds used in 1914; and of shoddy, 85,600,000. That was 25 per cent for shoddy and 75 per cent for virgin wool. Of course, since then the number of sheep has decreased and the amount of shoddy has increased. It shows this competition, and Mr. French pointed out the increase, the steady increase in the amount used for shoddy and the decrease in the amount of wool. Dr. Alsberg brought up the question of beans yesterday, and referred to the \$12 beans in this country, the red kidney beans, and stated that they were importing beans from Manchuria for \$7 a bushel and were selling them as red kidney beans on the market in competition with the \$12 beans, and he said that if this competition kept up it would ruin the red kidney bean industry in this country. That is just what the competition of shoddy is doing with the wool industry in this country. It is ruining the wool industry. I will read you some figures that I have here showing the number of sheep in the United States and their rapid decrease also. This is not a United States problem but a world problem. Here in the United States in 1903 there were 63,965,000 head, in 1919, there were 49,863,000, and in 1920, 48,615,000. Since 1903 the loss has averaged 1,000,000 a year.

Mr. WINSLOW. Is that up to date; up to 1919?

Mr. REYNOLDS. Up to 1920.

Mr. WINSLOW. If that is so, how do you account for the increase in wool?

Mr. REYNOLDS. The increase?

Mr. WINSLOW. In the product of wool; yes.

Mr. REYNOLDS. I do not account for an increase in wool.

Mr. WINSLOW. You had better get advised then. The Agricultural Department shows an increase of 14,000,000 pounds, plus, a year.

Mr. REYNOLDS. That is, in this country?

Mr. WINSLOW. Yes.

Mr. REYNOLDS. The number of sheep has decreased according to their figures. Now, here are some sheep figures—I can not answer for the wool—

Number of sheep in leading wool-producing countries: United States—1903, 63,965,000 head; 1919, 48,868,000 head; 1920, 48,615,000 head (since 1903 Iowa has averaged 1,000,000 head a year). Argentina—1895, 74,380,000; 1914, 48,225,000. Australia—1890, 97,881,000; 1916, 76,669,000. Hungary—1884, 10,595,000; 1913, 6,560,000. Brazil—1912, 10,658,000; 1916, 6,920,000. Russian Empire, 1900, 47,628,000; 1914, 37,240,000. Union of South Africa, 1913, 35,711,000; 1915, 31,434,000. New England (once had 4,500,000 sheep)—1891, 1,240,000; 1919, 378,000. New York (once had 5,118,777 sheep)—1910, 930,000; 1919, 840,000.

So you can see that there is unfair competition of shoddy with wool, the same as there is in the competition of the \$7 Manchuria bean with our home product, and this unfair competition of shoddy with wool will ruin the wool industry; it can not stand up under it. And if this decrease of a million sheep a year keeps up as it has for the last 17 years it is a matter of only about 48 years when the sheep will be gone; that is, if the decrease keeps up at the same rate.

The CHAIRMAN. In that connection, Mr. Reynolds, we will give you the privilege of extending your remarks in the Record by adding any data you see fit that is pertinent to the question.

Mr. REYNOLDS. Very well, thank you, Mr. Chairman. I will say that the States are taking up this question and the movement is growing. There is a bill before the New York State Legislature and other States are taking up the question and, undoubtedly, some of them will enact laws embodying the principles of the French bill for grading according to contents and quality. The agitation is growing and I do not believe it can be stopped, but I do believe that it would be better for Congress to pass effective legislation along these lines than to have the States pass varying laws on the subject. I thank you.

(Witness excused.)

STATEMENT OF MR. CHARLES A. LYMAN, SECRETARY OF THE NATIONAL BOARD OF FARMING ORGANIZATIONS.

The CHAIRMAN. Is Mr. Lyman here?

Mr. LYMAN. Yes, sir.

The CHAIRMAN. You may appear, Mr. Lyman.

The CHAIRMAN. Give your name, address, and state whom you represent.

Mr. LYMAN. Charles A. Lyman, secretary of the National Board of Farming Organizations, owning headquarters in this city at 1731 I Street NW., Washington, D. C.

Mr. Chairman and members of the committee, the National Board is doing and planning to do for the member organizations and farmers throughout the country what the Chamber of Commerce of the United States is doing and attempting to do for the commercial interests.

I think no one here on the committee will question that the French bill is a serious and honest attempt to give the people of this country a better knowledge of what they are buying. I want to say that the people generally throughout the country wish to know nowadays what they are getting. This feeling, which is deep-seated, applies to fertilizers; it applies to feeds; it applies to seeds; and it applies to men in political life.

To the argument which may be advanced that this bill is not perfect I will reply that the people of this country have confidence in the ability of this committee to perfect the bill. I do not believe that anyone here who is for this bill will argue that it is the final word. If you gentlemen in your wisdom want to go ahead and elaborate and specify the length of the staple of virgin wool and the quality of the shoddy I will not object, and I do not believe that the people who have drawn up this bill will object. One thing is certain: The people of this country do want to know what they are getting.

In two other bills which are also before this committee for consideration with reference to labeling of fabrics there is a feature which I am confident will be very objectionable to the farmers of the country. I do not think that it was put into this bill with any intent to head off legislation to control the interstate shipments of agricultural seeds; but I submit to you members of the committee that if, for instance, the Rogers bill or the Barclay bill were adopted by this committee and the farmers should come to you soon (as they plan to do) asking for effective Federal seed legislation to control interstate shipments of seeds so as to prevent the introduction of noxious seed weeds, and to correct other evils, that you might reply that the matter had been taken care of, when such would not be the case. For example, I find on the first page of the Rogers bill reference to the false description of any goods, wares, merchandise, or things—"things" would cover seeds, would it not? And then, later, I find a paragraph—and I think it is in both of these bills—which says:

Provided further, That seeds, roots, bulbs, or nursery stock unintentionally misbranded because of indistinguishability by their appearance shall not be deemed misbranded, misrepresented, or falsely described within the meaning of this act.

That is the point I would like you to take into consideration with reference to the necessity for having effective Federal seed legislation. The board which I represent is active in this seed matter, and the French bill is so much in line with the demands of the farm organizations throughout the country for the proper branding and labeling of seeds, feeds, and fertilizers that I am here to-day to give the French bill, or the principles in this bill, my hearty indorsement.

Mr. BARKLEY. I will say that the bill which I introduced first in 1914, I think, did not contain that provision with reference to seeds. It was represented to us that there were certain small seeds of various types that were indistinguishable by their appearance, and it might be that somebody might accidentally label one of them "mustard" when it was, in fact, something else. I took that matter up with the Department of Agriculture here and they confirmed that statement, and it was on that suggestion that this provision was put in.

Mr. LYMAN. Well, I hope, Mr. Chairman, that we will have opportunity later at the seed hearings to discuss this matter fully.

The CHAIRMAN. This committee on two prior occasions considered very extensively pure-seed legislation separate and apart from any misbranding bill, and it occurs to me that the matter is of such large importance that it will deserve separate consideration.

Mr. LYMAN. I think that is true.

The CHAIRMAN. I doubt whether the mere language in either of these bills with reference to indistinguishability would really reach the difficulty.

Mr. LYMAN. Mr. Chairman, I have finished my statement, except to say that I am not here to-day as an expert on wools or textiles.

I have been a farmer all my life and i have had sheep and sold wool, and I have bought suits of clothes that were supposed to be woolen clothes, but perhaps sometimes they were not. There is a man here to-day who represents a farm organization just as I do, who has expert knowledge, I think, of this question of grades. He is not only a farmer, but he has been a shipper of live stock, and he has been in woolen mills and knows the situation pretty thoroughly, so I hope you will direct your questions to Mr. Silver, to whom I refer, rather than to me at this time, because I want to give opportunity for the other witnesses to be heard.

STATEMENT OF MR. DWIGHT LINCOLN.

The CHAIRMAN. Please state your name, address, and whom you represent.

Mr. LINCOLN. Dwight Lincoln, Marysville, Ohio; secretary American Rambouillet Sheep Breeders' Association.

Mr. Chairman, the objects of our association are to collect and publish in suitable form the history of Rambouillet sheep in America, preserve their purity, provide for their registration, to promote the interests of the breed in every legitimate way that we can, and further the improvement of the breed. Our association represents eight or nine hundred members, scattered from Maine to California and from Wisconsin to Texas. At a recent meeting our organization went on record as favoring the bill for the "Truth in Fabric" law. Some of the gentlemen who have preceded me have gone more into detail than I will attempt, as will some of those who are yet to follow. I am just simply going to tell you that we come here as an organization to further the interests of pure-bred sheep, simply asking for a square deal, and not ask any special favors, but asking only that a chance be given us that we may stand on our merits, which is all I believe that anybody should ask, whether he has shoddy, cotton, wool, or anything else, and I am sure that we sheepmen will stand by whatever may work out of that chance that is given us to stand upon our own merits. Mr. Winslow asked a few moments ago how the fact could be accounted for that there had been a decrease of a million sheep each year and yet an increase in wool. It is such organizations as I represent that has been instrumental in bringing about just such condition as that—improving the live stock and adding more pounds of wool yearly to each sheep in the country. If it were not for the things done to improve live stock the sheepmen of this country would long ago have been out of business, had they continued with old scrub sheep. There is no question about it. When you look around the country and find the things that a flock of sheep works on on the farms, not only in the production of wool but in maintaining fertility, restoring lost fertility, and converting grains and grasses into merchantable marketable products, there is more to be considered in the sheep industry than in the mere production of wool. Now, this French bill, as I understand it, does not compel a man to make virgin wool cloth, it does not compel him to make shoddy cloth, or anything of that sort but it just simply leaves it up to the manufacturer to use his best judgment in making the article and to brand what he puts into it. And as American people we are used to having a voice and choice in matters; which is right, I believe.

I do not think that I would exactly be in favor of grades, as somebody suggested here yesterday, standardizing it and putting it in

grades 1, 2, 3, and so on, and putting in 80 per cent virgin wool, or all shoddy, and so on, and letting the American people take its choice of the outfit, and if they get beaten it is their own fault. I do not believe that we can establish grades whereby the consuming public will have absolute guarantee as to what they are buying, but if we can throw around them some little safeguards I do not believe they are going to ask for any more. During this period of reorganization it impresses me that now would be a splendid time to encourage a reform of this sort. Now, gentlemen of the committee, that is all I have to say, except that we be given an opportunity to stand upon our own merits.

Mr. WINSLOW. Just to enlighten the committee, have you any figures to show that the development of the breeding of such high grade sheep as you are breeding is accountable for the increase in wool the last few years?

Mr. LINCOLN. Well, not reduced just exactly to figures, but my experience and observation, gathered from one end of this country to the other, tells me that that is so. I have been identified with the sheep industry since I was 10 years old, and the old sheep that I knew at that time would be no more like the present-day Rambouillet sheep that is developed in this country than day is like night.

Mr. WINSLOW. How do you account for the increase in Ohio in 1918 of 21,000 sheep? Were they the better grade of sheep?

Mr. LINCOLN. No; Ohio—at that particular time that increase may have been represented by feeding stuff. Ohio is an agricultural State, but that will be explained by the gentleman following me.

Mr. WINSLOW. How do you account for the increase of 377,000 in Texas?

Mr. LINCOLN. Well, sir, there has been more feed down there in the last two years than they have ever before had in their life. I have had letters from gentlemen who have been there for 40 years saying that they never have seen such an amount of feed. Many sheep from Montana were shipped into Texas for feed.

Mr. WINSLOW. How about Wyoming the last two years?

Mr. LINCOLN. Last year there was a shortage of feed in Wyoming.

Mr. WINSLOW. And the year before?

Mr. LINCOLN. The year before it was pretty good.

Mr. WINSLOW. They increased 32,000.

Mr. LINCOLN. Yes.

Mr. WINSLOW. It seems to me that in certain sections they have increased and in other sections they have decreased.

Mr. LINCOLN. Yes.

Mr. WINSLOW. I wanted to know the reason for that.

Mr. LINCOLN. You take the northwestern section last year; they had a continued drought.

Mr. WINSLOW. The figures of the Department of Agriculture covers the matter pretty well, and their returns for last year show that Montana had a drought last year.

Mr. LINCOLN. And the year before, but last year they had a still greater drought in Montana. The gentleman who spoke here yesterday talked about the increase of sheep where they have to compete with the production of cattle and hogs, or corn. The conditions as he related them are right. You cannot expect a man in an agricultural territory to drop the production of hogs and corn. There is no line of live stock that needs closer attention than sheep and the

average man does not give that close attention that is needed. Then again you have to wait longer for your money on wool, and when the market got down here and was not very good, the consequence of that was that the flock of sheep was kicked off the farm, and even though the pork price went down hogs are not sacrificed so quickly as sheep.

Mr. WINSLOW. Is there in the French bill anything that tends to encourage the development of high-grade sheep?

Mr. LINCOLN. Well, when you come right down to it, we all more or less have selfish aims, but the organization I am representing is not asking for anything special, but we feel sure in our own minds that if wool is actually sold for what it is, and if cotton or anything else is actually sold for what it is, we are going to come out all right.

Mr. WINSLOW. Does not your argument go to show that wool ought to be graded when it goes into cloth?

Mr. LINCOLN. No; I do not think that I would say that. I think that would be a rather difficult matter to do. I believe that the matter of competition and the service that you get when you buy a suit is going to tell you whether you are getting the grade of wool that you ought to get. There are so many grades of wool. Somebody has said here that there are two or three grades, or two or three different kinds. If you look into that matter you will find that there are from twenty to thirty grades, and it would be a very difficult matter to standardize it.

Mr. WINSLOW. Well, then, you stick to the generally accepted idea that competition in business will regulate the honesty of it?

Mr. LINCOLN. I believe that it will regulate the grade that they will make. If a man wants to push his particular line ahead of the other he is going to put better materials in it and make a better product. Then he is going to become known. There was talk here that the better grades of shoddy were better than the poor grades of virgin wool. Well, that is true, but these poor grades of virgin wool are really negligible. There is less than one-half per cent that would not compare with the best grades of shoddy, so we are not worried about that at all.

Mr. WINSLOW. Well, if that is so, wherein is the public being benefited by a bill of this sort?

Mr. LINCOLN. In a bill of this sort they will be benefited. If you would go out and buy some clothes that were supposed to represent wool and got the kind of wool that I got when I was a kid—in fact there used to be a woolen factory near me and I sold my wool there, I bought the cloth there and had my clothes made from that cloth and it was practically impossible to wear those out. You get a suit now and if you wear it two or three months you are doing well.

Mr. WINSLOW. Does not the price at which you make your purchase regulate pretty well the standard of quality?

Mr. LINCOLN. No, sir; I do not think it does. If you buy a high priced cheaply constructed suit you encourage them to continue the production of that grade, that is all there is to that.

Mr. WINSLOW. Do you think we do buy high priced materials and pay the long price for them?

Mr. LINCOLN. I know we buy some poor grade stuff and pay the long price for them.

Mr. WINSLOW. But, is not the quality, for the most part, reflected in the prices of the American clothing dealers?

Mr. LINCOLN. It is not reflected from the standpoint of the producer of wool, if you have to pay \$150 or \$175 for the highest grade suit that can be made in the tailor shop. I heard that price quoted in the shop of a tailor in Columbus, Ohio—\$175 for the best suit he had there. The National Wool Growers Association has figured it at the very most, making 20-ounce weight cloth, of the highest grade wool procurable to-day, that there would be \$7.35 worth of virgin wool, actual wool, if it were composed of all wool, in that suit of clothes. Now, where the other \$168 went to I do not know.

Mr. WINSLOW. Well, that would probably be like the profit that is made in meats. We had nine weeks of hearing here a year or two ago and we had witnesses all the way from the breeder to the dealer of meat. It looks to me like this wool business will be in line with that. You begin at the beginning and there is a loss, and in the end somebody gets cheated. In your many years of experience you are familiar with the trade names designating wool. When did the term "virgin wool" appear in the trade?

Mr. LINCOLN. Well, really, I think that is rather a new one.

Mr. WINSLOW. Can you tell in a general way about how long that has been applied?

Mr. LINCOLN. I do not think I have heard the term applied more than a year to two.

Mr. WINSLOW. Do you happen to know who originated that term and for what purpose?

Mr. LINCOLN. No, sir; but I suppose some fellow that originated it to compete with the name "reworked wool." We always knew it as "shoddy" since I was a boy.

Mr. WINSLOW. It has never been used as a trade name, as far as you know?

Mr. LINCOLN. No. There is, of course, more value in the wearing qualities and durability in virgin wool, wool that has not been used before. That question will be taken up by the gentleman who is to follow me.

Mr. WINSLOW. My questions are asked in respect to your experience and knowledge. That is the reason I am asking them.

Mr. LINCOLN. I thank you for the compliment.

Mr. WINSLOW. If there is commercial value in the term "virgin wool," why has it not been used generally by successful manufacturers in this country to describe their product?

Mr. LINCOLN. Why, I really do not know why manufacturers have not made use of it. They are supposed to be bright enough to do those things, but the average producer of wool is just about as docile as the sheep themselves. He is content if he ekes out a mere existence.

Mr. WINSLOW. I want to ask you one more question. Is your personal interest in this matter in behalf of the dear public or is it in the interest of the wool business?

Mr. LINCOLN. Both. Charity begins at home, you understand, and if I can benefit myself and the other fellow at the same time I think I am performing really charitable service.

(Witness excused.)

STATEMENT OF MR. GRAY SILVER.

The CHAIRMAN. Give your name, address, and state whom you represent.

Mr. SILVER. Gray Silver; I represent the American Farm Bureau Federation; my residence is Martinsburg, W. Va. I am the Washington representative of this association and my business address is 1411 Pennsylvania Avenue, here in this city.

The CHAIRMAN. Proceed.

Mr. SILVER. Mr. Chairman and gentlemen of the committee, I appear here as the Washington representative of the American Farm Bureau Federation. At a meeting held in Chicago on March 3 of this year it was reported that our membership was 1,061,000, scattered throughout 28 States of the Union. Those 28 States federated in this national association are: New Jersey, Minnesota, Massachusetts, Illinois, Iowa, Colorado, South Dakota, Missouri, Kentucky, Michigan, California, Georgia, Arizona, Wyoming, New Hampshire, Vermont, Utah, Indiana, New York, West Virginia, Nebraska, Ohio, Idaho, Oklahoma, Maryland, Connecticut, Kansas, and Texas. Our organization is composed of county farm bureaus, federated into State organizations, the State organizations being the constituent members of our national federation. Our method of determining the wishes of our members is by referendum. One of the first resolutions adopted by our great organization was, "We commend truth telling and denounce the falsifier," and, later, the following was adopted:

Believing in honest practices we recommend legislation providing that the presence of all substitutes for virgin wool in fabric, an apparel purporting to contain wool, shall be made known.

The thought which prompted the adoption of these resolutions, I believe, was that the telling of truth alone is not sufficient, but that the whole truth must be made known.

That the Government has in the past accepted this principle that the whole truth must be made known to the purchaser and user of things which enter into the life of the people is proved by the Federal and State pure food and drug acts. When, for example, the public finds "Benzoate of Soda" on a label, they understand that possibly the material that went into the contents of the package was over-ripe. Also by the pure insecticides act to protect the raiser of apples or the farmer who dips his livestock from using material that will destroy his product or make useless his labor. It is unlawful to sell milk below a certain butter-fat content, even though there is nothing in the bottle or can but milk in the condition in which it came from the cow. Renovated butter is the same butter that came originally from the churn and may be even better than fresh country butter, but the purchaser is considered to be the best judge of whether he desires reworked butter or fresh butter. So that the term "renovated" is by law stamped on the reworked butter. Cold storage eggs and meat may be as good, or better, than eggs or meat that have never been in cold storage; but the law says that the purchaser shall have the right to know that these are cold storage products and requires that they be so branded. Even transportation costs, tolls for telephones, and light and water rates are controlled by law for the protection of the public. Since clothing bears a much larger percentage in the family budgets of most of the people than do many of the things already labeled and branded by law, why should not all materials containing wool be properly labeled for the protection of the purchasing public as are these other things?

To tell the whole truth, it is necessary that the truth be told about all of the wools that are on the market. To give to the manufacturer or dealer the option of deciding for himself whether he shall label his goods as good as to permit only part of the truth being made known, and does not conform to the ideals and standards as set forth in the resolutions of the American Farm Bureau Federation.

The term "all wool" does not tell the whole truth, because it has been so misused by the trade, and can be, perhaps, properly used to include shoddy as to be a means of deception to the purchaser and not a statement of the truth to which he is entitled.

We believe that the fairest and best standards so far suggested for telling the whole truth about woolen goods are in the provisions of the French bill requiring statements as to the amounts of virgin wool and of shoddy. Virgin wool has come into common use comparatively recently, because it is a distinct term which means to the purchaser the wool that has never been used before. The proof of the acceptability of this word with the public, as an indication of what they want to know about wool, is the rapid use of the term which has already come into common acceptance by millions of consumers, and will undoubtedly be easily understood by all the people within a very short time after the passage of this bill. It now means to the consuming public what "all wool" used to mean before the latter term was degraded in the public mind through its use so as to include shoddy.

If the great bulk of woolen goods known as "worsted" are made of virgin wool, as explained by the manufacturers, it will help to restore and to hold the public confidence to have them so branded. If other wools of such fineness and texture as to require long fibers are just as good for less money when they are labeled to indicate a shoddy content, the public will soon learn this fact and profit thereby; but if through some personal preference they prefer these goods to be of virgin wool, they should be entitled to the knowledge that they are actually securing their preference. So, likewise with carpets and coarse materials that use short fibers, if such goods containing shoddy wear as well and really have the same merit as similar goods of virgin wool, the public will soon learn this fact and buy accordingly, but the public certainly has the right to know whether the carpet or other article is virgin wool or contains shoddy. So that it may learn by actual experience which product it prefers to purchase.

Furthermore, wool up to the time that it enters into the manufacture of manufactured goods is sold by grades standardized by rule or law, so that the manufacturer is protected when he buys his raw materials. Why, therefore, should he object to to standardizing the product as it comes from his factory that the public may be likewise protected?

Also formerly there was a measure of protection to the purchaser of woolen goods when the consumers were accustomed to buying by the yard measure. Even this has largely disappeared with changing practices and methods, whereby most consumers purchase their woolen goods in ready-made clothing or other manufactured units. With these changes in the marketing practices with woolen goods has come a greater need for labeling to protect the public in quality as well as in quantity, because of the increased use of shoddy which has been a more or less recent development, and has now grown to such an extent that there is unusual need for such governmental regulation as provided by the bill under discussion.

Mr. COOPER. What do mean by "recent" there?

Mr. SILVER. I mean, comparing it with the original measurement by the yard.

Mr. COOPER. "Recent" and "comparatively recent" are two different terms. How many years do you mean?

Mr. SILVER. I do not know how many years, but there was a time when wool would be sold to a mill in the neighborhood, and it was worked up there, and at that time woolen goods were free from shoddy.

Mr. COOPER. But the fellow living at a distance from where the wool was grown got some shoddy, for many, many years.

Mr. SILVER. I could not answer as to the number of years.

Mr. COOPER. Now, that apple regulation. Is that a regulation imposed by a Federal statute?

Mr. SILVER. No, there is regulation as to the package. The Federal law requires labeling the amount of the contents.

The CHAIRMAN. We have established the size and dimensions of the apple barrel.

Mr. SILVER. Yes. There are some State laws that protect the buyers so that they may know what they are buying. I do not know how soon it may be, but I suppose Congress will take some step in that direction.

Mr. JONES. The only interest the purchaser has in butter—of course, the price is always considered in every item—is the taste, is it not?

Mr. SILVER. I should say no, that the public in buying it would not have only that interest. Here are two articles, one creamery butter, and it has a fresh-butter label, and here is another package specifically marked under the law “renovated butter.” There is something more than the mere question of taste in that. It is the thought that the same thing practically applies to woolen products. There is some satisfaction in knowing that you are getting a clean piece of woolen cloth from which your suit is to be made, as compared with taking rags from the dump and having a suit of clothes made from such material.

Mr. JONES. What other desire has the purchaser in buying butter except as to taste? If you are buying butter, the only thing you are buying it for is to eat, is it not?

Mr. SILVER. Yes, naturally. Just like you buy a suit of clothes or a horse that you like.

Mr. JONES. And the marking of this butter gives you some idea as to how it tastes?

Mr. SILVER. It gives you some idea as to the kind of butter you are buying, and you know whether it is renovated butter or good butter. I have not tasted renovated butter, but I have tasted oleo-margarine and it tasted pretty good to me.

Mr. JONES. Now, the only purpose in buying clothing is the appearance and durability. Now, can you tell me where the French bill gives notice of either one?

Mr. SILVER. The French bill gives notice that it contains a certain amount of virgin wool. It gives notice to you that you have new wool in that suit of clothes, as against reworked wool made from rags from the dump, or the tailor trimmings, or whatever the reworked wool may be made of.

Mr. JONES. I can see that all that is true, that it is a correct statement, but does that knowledge give me any information as to the durability of the cloth?

Mr. SILVER. In my experience some years ago as a wool dealer I came in contact with mills more or less, and at one mill that I have in mind they made quite a bit of cloth and they used shoddy and virgin wool. With these machines, one feed above the other, the shoddy would come along for the main body of the goods and the virgin wool would come along even but as thin as a veil in the face of the cloth. But for the fact that the man, or the manufacturer, rather, thought there was an advantage in weaving that virgin wool into the face of that cloth, he would not likely have done it; and he passed it on to the public that way, in that shape; but by the time that the buyer discovered that he had not gotten virgin wool, that it was a suit of clothes that would not keep its shape it was second-handed, he could not return it under the all-wool guarantee.

The CHAIRMAN. Are there any further questions? If not, gentlemen, we will recess until 2 o'clock.

(The committee than at 12 o'clock noon adjourned for the noon recess.)

AFTER RECESS.

The committee met at 2 o'clock p. m., Hon. John J. Esch, chairman, presiding.

The CHAIRMAN. The committee will come to order. Who is the next witness, Mr. French?

Mr. FRENCH. Prof. Plumb.

STATEMENT OF PROF. CHARLES S. PLUMB.

Prof. PLUMB. I represent the National Sheep and Wool Bureau, the Ohio Sheep and Wool Growers' Association, and the American Cheviot Sheep Society.

The one great fundamental purpose of the bill under consideration is "to prevent deceit and profiteering that result from the unrevealed presence of substitutes for virgin wool in woven fabrics purporting to contain wool, and in garments or articles of apparel made therefrom." The introduction of such a bill would not have been necessary were it not for the fact that the purchaser of cloth or clothing in far too many instances was buying an inferior article, although represented to him as of superior quality. This inferior character became apparent through deficient durability, finish, and quality.

A very pertinent example illustrative of this statement, and which is essentially typical, recently occurred with a very personal friend. He purchased of a most favorably regarded large clothing store a suit of clothes, for which he paid a high price, with the understanding that he was securing a garment of distinctly superior quality. Greatly to his astonishment and disgust, a few weeks of wear found him with a suit of inferior quality, with rubbed off facings and a cheap appearance. He returned the suit to the store, when the dealers recognized the situation, took the suit off his hands, and settled by offering him another suit. This firm catering to a special high class trade, could not afford to have such a case happen, and they settled in the only honorable way. Giving them the benefit of the doubt, they themselves were the victims of deception in the original purchase of this suit.

This leads one to the statement, that the opinion is widely prevalent that it is difficult to buy honest clothes. This opinion is nearly altogether based on the results from purchasing something inferior to what the purchaser intended. In this connection the buyer is not so much interested in the producer of the cloth as he is in the seller of the suit. The buyer naturally throws the responsibility on the person from whom he made the purchase. It has been repeatedly stated that the dealers do not misrepresent their goods to the buyer. No doubt many do not intentionally, for they are ignorant themselves, but the opinion undoubtedly prevails that many dealers do buy cloth for one thing and sell it for another. It is this situation that is largely responsible for regulatory measures.

Nothing should be allowed to obscure this fact. The demand for a square deal will not down, and inasmuch as the ultimate consumer must pay the bill, he is entitled to every necessary legal protection.

Let us now give a brief consideration to wool as a fiber. In its natural condition, under the microscope, it consists of three parts, an inner core or tube as the case may be, surrounded by a structure of long cells, known as the cortical layer, and over all of which is a covering of scales comparable with shingles on a roof, known as the epithelial scales. The cortical cells give strength and elasticity to wool, while the scales on its surface, with their slightly projecting edges, furnish the felting so necessary in making woollen cloth. Ordinary hair, or kemp, has a hard almost scaleless surface and will not felt nor take a dye. These scales give the quality and luster to the fiber, and in some breeds of sheep the luster of the wool is regarded as of much value. Wools vary in length from 2 to 10 inches, and in diameter from 1/400th to 1/2000th inch. Very fine wools are usually short, are more or less crimped or serrated, and are used for the choicest grades of dress goods, or other fine cloth. The long, coarse wools lack crimp and elasticity, and are used in blankets, carpets, etc., according to quality. The wool on the sheep varies in quality, that about the neck, shoulder, breast, side and back being superior to that of the hindquarters, belly and legs. Breeds of sheep differ in the kind and value of their wool, but as a rule, a large percentage of that produced in the United States is of desirable quality. The poorest wools we use are those imported from certain foreign countries. I would like to emphasize that point, that the poorest wools that we use in America are imported from certain foreign countries. I might instance China and Russia, and certain other countries.

Substitutes for virgin wool have generally been termed shoddy, although other terms are appropriate.

That we may more thoroughly understand what shoddy and allied substances are, I desire to submit the following from authorities on this subject:

Shoddy and mungo, says W. H. Dooley, principal of the Lowell Industrial School, in his book on Textiles, are in reality wool products or wool fiber, which has previously passed through the processes of manufacture whereby its physical structure has been considerably mutilated. These were first produced about 60 years ago
* * *

I might say, however, that reworked wool has been made for more than a century.

The value and quality of the waste or rags from which it is made determines the quality or value of the material. Shoddy is derived from waste or rags of pure unmilled wools, such as flannels, wraps, stockings, and all kinds of soft goods.

Mungo is made from rags of hard or milled character, and is much shorter in fiber than shoddy. Its length varying from one-quarter to three-quarters of an inch, can be regulated by the treatment the rags receive and by the proper setting of the rollers in the grinding machine. Both shoddy and mungo may be divided into two classes, namely, new and old mungo. New mungo is made from rags chiefly composed of tailors' clippings, unused pattern room clippings, etc. Old mungo is made from cast-off garments, etc. By a careful selection of the rags previous to grinding, it is possible to make a large number of qualities and a great variety of colors and shades without dyeing. Owing to their cheapness, shoddy and mungo are used in cloths of low and medium qualities. Shoddies are utilized in fabrics of the cheviot class and in the production of backing yarns. Mungoes of the best quality are used in the low fancy tweed trade, in both warp and weft, but chiefly in union and backed fabrics.

Extract wool.—This is obtained from union cloths—that is, from cloths having a wool weft and warp of cotton, etc. Also from cloths having the same material for warp, but possessing a woollen or mungo warp or filling, etc. It is the wool that is required. Therefore the vegetable matter (cotton) must be extracted from it by the process of

carbonizing. To effect this, the tissue or rags are steeped in a solution of sulphuric acid and water, and then subjected to heat in an inclosed room. The water is evaporated, leaving the acid in a concentrated form, which acts upon the cotton, converting it into powder. The powder readily becomes separated and the cotton is thus eliminated. The material that is left is well washed to remove all acid, dried, and then passes through a miniature carder, to impart to it the appearance of a woolly and softer fabric.

Shoddy is made from old woolen stockings or rags, shredded or picked by hand or machine, to render the yarn suitable for spinning a second time, or to give a fiber that can be woven or felted with a wool or cotton warp. The name has come to mean cheap, make-believe.

One of the standard works is *The Textile Fibers*, by J. Merritt Matthews, formerly head of the chemistry and dyeing department of the noted Philadelphia Textile School. He thus discusses shoddy and contrasts it with the virgin wool:

Fine fleece wools hardly ever show the absence of epidermal scales (though this is frequently the case with coarse wools), hence if examples of such fine wools are found showing a lack of epidermis—that is, these little scales—it may usually be taken as an indication of shoddy.

Höhnel, however, calls attention to the fact that the following conditions previous to the manufacturing process itself have considerable influence on the good structure and integrity of the wool fiber; badly cut staple, lack of attention in raising the sheep, poor pasturage, sickness of the animal, the action of urine, snow, rain, dust, etc., packing the wool in a moist condition, rapid and frequent changes of moisture and temperature, the use of too hot or too alkaline a bath in scouring with bad detergents, etc. These influences may lead to the partial removal of the epidermis, and the softening and breaking of the ends of the fiber. There must also be considered the influence of willowing, carding, combing, spinning, weaving, gigging, fulling, acidifying, washing, shearing, pressing, etc., from which it is easy to understand why even fibers of fleece wool may show the entire absence of epidermis. Höhnel also criticizes other alleged characteristics of shoddy, such as torn places in the fiber, unevenness in diameter, etc., claiming that these can hardly be taken as an indication of shoddy, because such marks are often regularly present in many fleece wools. Most samples of shoddy, in fact, show scarcely any structural differences from ordinary fleece wool. The ends of shoddy fibers, however, usually present a torn appearance, at least there is a great predominance of such fibers in shoddy, whereas in fleece wool this appearance is seldom to be observed, the end of the fiber being cut off sharply. The appearance of torn fibers may be easily observed under the microscope, the epidermis being entirely torn away, as well as the marrow which is sometimes present, while the fibrous cortical layer is frayed out like the end of a brush. This appearance can usually be rendered more distinct by previously soaking the fibers in hydrochloric acid. Sheared fibers are recognized by being very short and by having both ends sharply cut off. The color of the fibers is also a characteristic appearance of shoddy, as the majority of shoddy is made up of variously colored wools. It is of rare occurrence that rag shoddy possesses a single uniform color.

I have introduced this information here for the reason that it has been apparent that nothing so far had been contributed to what seems to be a very important side of this whole discussion.

It is to be noted that both of these authors, who, if at all, represent the manufacturer of cloth rather than the producer of wool, emphasize the fact that reworked wools have suffered more or less injury in the fiber. Where acid is used, this might logically be expected. In these quotations the use of both sulphuric and hydrochloric acids are referred to, but some years ago a manufacturer of shoddy sent me a series of samples, representing the various stages of manufacture, in which he reported that mercuric acid was used. The use of such strong agencies might readily diminish the epithelial scales which are valued as factors in dyeing, as well as providing a certain degree of luster indicative of quality. A wool fiber with the scales removed must also suffer loss in felting quality, which is so highly valued in virgin wool.

It has been said that reworked wools are only used in inferior cloths, but the fact remains that high-class chevots and tweeds in

fairness can not be regarded as inferior. Very attractive and durable cloths of this type are made in the mills of Scotland from a certain class of wool produced in that country.

A representative of the American Home Economics Association has given three motives that influence a woman who goes to a store to buy cloth, and her first is expressed by the question "Are the goods durable?" I think there is no doubt as to the accuracy of that observation, but the statement might also have been amplified by adding "and genuine." Any man or woman of mature years and experience in either America or Europe must have been impressed in his home life with the emphasis placed by the mother on pure linen, pure silk, and pure woollens. A characteristic feature of the intelligent American housewife has always been to place a premium on these goods, free of admixture. There was a time in America when all wool meant something, but to-day, unfortunately, it is agreed the term may be very misleading, even though technically correct. If this cloth were labeled, the representative of the ladies states that this would not give a satisfactory evidence of value. This is hardly crediting the purchaser with a fair degree of intelligence.

I picked up this advertisement [indicating] in yesterday's paper of one of the Washington firms' advertising material. Now, it is specified here that they are offering for sale at \$2.98 per yard some remnant material—dress goods for ladies—that formerly sold from \$3.50 to \$6 per yard for \$2.98 a yard. Then, below, it specifies the kind and width of the cloth, calling attention to the fact that this is "woolen dress goods." Now, in the description or in the statement regarding the kind of cloth, there are terms used that are familiar to housewives all over this land, such as an ordinarily advised housewife understands when she goes into a store and inquires for cloth for garments. Anybody who is at all familiar with the present price of wool and of goods on the market must realize that at the price offered here this is not an all-wool class of goods, although it is specified in the advertisement that it is all wool. However, it is not a virgin all-wool proposition.

One might call attention to the fact, however, that a great campaign of education is at present being conducted at many State colleges and secondary schools, as well as among groups of women in all sorts of communities. Here such information may be accurately and easily imparted, so that its practical application would not be long delayed.

The charge has been repeatedly made that cloth made from shoddy is better than that made from inferior wool. We have no satisfactory comparative evidence on that point. However, we do know that the American wool grower produces but a comparatively small amount of inferior wool. He not only is interested in producing good wool, but never before in the history of America have so many forces been at work in behalf of producing superior wool in this country. Thousands of farmers are now cooperatively working with this motive in view, under the direction and services of sheep and wool growers' associations, as representatives of our colleges of agriculture. The production of wool has suffered a severe decline all over the world. Not only since the opening of the World War but for years prior to that period the flocks of Europe and America had steadily declined. For many years the State of Ohio was the premier producer of the

United States, and shortly after the Civil War had on its farms about seven million sheep. To-day Ohio has less than half this number, and a similar or greater decrease has prevailed elsewhere east of the Missouri River. Various factors have contributed to bring about this condition, the principal one of which is lack of profit. At the present time various agencies are at work to encourage the producer to follow sheep husbandry as an attractive and profitable occupation. In view of the fact that we import approximately one pound of wool for each pound we produce, should not every effort possible be made to produce enough at home to supply our own needs, and export also to other countries? It is no encouragement to American industry to permit manufacturers to place goods of any kind upon the market and sell them under conditions whereby the buyer may be readily deceived. Neither the producer of the raw product nor the ultimate consumer can have the slightest objections to the use of reworked wool so long as it does not masquerade as virgin wool and the plain people know it. So long as oleo was made and sold as butter the American dairyman objected, but when regulatory measures were adopted by the Government whereby artificial butter was sold as such the dairyman and the consuming public became satisfied. No matter what claims may be made to the contrary, the selling of cloth containing 80 per cent shoddy, with no information to advise the buyer, is analogous to selling oleomargarine for butter when colored to represent it and with no evidence to the contrary.

The claims are made that the expense attending the enforcement of such a law as this will be excessive. I fail to see the strength of this argument, in view of the fact that the ultimate consumer pays the bills anyhow. He certainly will be better satisfied to pay more for his cloth when he knows what he is getting than he is under present conditions of doubt and deceit.

Mr. SANDERS of Indiana. What is your opinion about it? Is it your opinion that the ultimate consumers would pay more?

Prof. PLUMB. I am inclined to doubt it, although I realize that there is not any particular evidence to determine that fact. I do not believe that butter has changed very much in its price due to the fact that there are requirements covering the manufacture of oleomargarine. Naturally it would protect the producer of butter, who would get a price for just what he produces. Even in our creamery butters—you go on the market to-day and you find standard creamery butters that vary in price.

Mr. SANDERS of Indiana. But would the ultimate consumer pay more for his clothes?

Prof. PLUMB. I think he would to a slight extent.

Mr. SANDERS of Indiana. Do you think the wool grower would get more for his wool.

Prof. PLUMB. Yes, sir. It is my opinion that it is the wool grower that does not get a fair share of the profit.

Mr. SANDERS of Indian. What difference do you think it would make in the price of wool in a general way? Would it make any appreciable difference, make any substantial increase in the price of wool?

Prof. PLUMB. I think that the largest factor would be with the producer of the wool.

Mr. SANDERS of Indiana. I do not understand what you mean.

Prof. PLUMB. I mean that if there was an increase of price the price would go to the producer of wool rather than to the wearer of cloth.

Mr. SANDERS of Indiana. Any increase in the price of wool would probably gather as it flowed on down the list to the ultimate consumer, would it not?

Prof. PLUMB. It seems to me that that is a very difficult thing to get a clear conception of.

Mr. SANDERS of Indiana. I know it is. I just wanted to get your opinion generally. I will not interrupt you further.

Prof. PLUMB. I am pretty nearly through anyway.

It has been stated that marking cloth is impracticable. Is not this statement more or less misleading? Have not the edges of certain cloths been marked in the past, to indicate the manufacturer? The British market, realizing the necessity of a reliable evidence of quality, has already taken action on this subject. In the periodical known as "Mens Wear," a prominent Edinburgh firm makes this large display advertisement:

As a woollen merchant is responsible to his customers for the quality of the materials in which he trades, our policy, from the first, is to deal exclusively in goods which we can guarantee to consist of pure, virgin wool, free from cotton, shoddy, or respun yarn. His Majesty's Board of Trade has granted a trade-mark confined to materials fulfilling this requirement.

The Scottish Woollen Trade-Mark Association, Ltd., 27 Charlotte Square, Edinburgh, makes use of a trade-mark, namely:

TRADE-MARK SCOTTISH WOOLEN ASSOCIATION.

This trade-mark has been registered under the Scottish Woollen Trade-Mark Association (with the sanction and approval of the Board of Trade), under conditions which require that all material so stamped shall be "manufactured in Scotland of pure new wool, free from cotton or other vegetable fiber, shoddy, mongo, thread waste, or any other remanufactured wool."

We need more of this spirit of production and sale in America.

Mr. WINSLOW. Is that trade-mark due to legislation in Great Britain or just the voluntary act of the manufacturers of the cloth?

Prof. PLUMB. It is due to legislation in Great Britain.

Mr. WINSLOW. What you have said does not quite indicate that.

Prof. PLUMB. There is British legislation which puts a premium on this whole subject.

Mr. WINSLOW. Could you make reference to that legislation?

Prof. PLUMB. No, sir, except that I know that there is such legislation. I have not read the law, however. It is a free law that prompts the stamping of clothing to indicate its character, but it is not compulsory.

Mr. WINSLOW. Then it would not be comparable to what is proposed here?

Prof. PLUMB. No, it is not comparable. I merely introduced this bit of evidence which shows a movement that is taking place.

Mr. WINSLOW. That would not be new in this country either, would it?

Prof. PLUMB. So far as I am aware we have had no advertising or special information contributed to the public which is to the effect

that anything is more than all wool, and that is the very point at issue, that "all wool" is misleading. In this case they emphasize that it is pure virgin wool, never used before.

Mr. WINSLOW. Does not anyone in this country make reference to the fact that the product is made of all virgin wool?

Prof. PLUMB. Yes, sir, now, but that is very recently.

Mr. WINSLOW. It is not in accord with what they are doing in England?

Prof. PLUMB. Yes, sir, there is one firm that does do that in this country.

Mr. WINSLOW. There has been no variation as far as legislation goes?

Prof. PLUMB. This firm says, "nothing but pure wool." I would not have it understood that I take the position that there are not mills, plenty of them, in this country that are making absolutely pure virgin wool cloth.

Mr. WINSLOW. But when you get down to the reference to Scotland and England, it amounts to a voluntary act on the part of the manufacturer of clothing?

Prof. PLUMB. Yes, sir. I would like to call attention to the fact that the manufacture of shoddy and allied material was first introduced in the great cloth-producing section of England, in Yorkshire, and that is a great center of the production of the shoddy of the world, and it was introduced into this country following its development there. So the British people have produced plenty of that in the past.

Mr. WINSLOW. For how many years have we been using shoddy?

Prof. PLUMB. For about 60 years, according to such information as I can obtain.

Mr. WINSLOW. I would like to ask one more question that has grown out of what you have said and what others have said, that there is a demand on the part of the public for marking wools. Is that demand traceable, or can you give any evidences of such a call on the part of the consumer? Is that of record?

Prof. PLUMB. Do I understand you to ask the question if there is a demand on the part of the public for a method of marking wools?

Mr. WINSLOW. No, for having them marked.

Prof. PLUMB. No, sir, I am not advised excepting on the basis of recent agitation in behalf of having some means of determining whether one is purchasing pure virgin wool cloth or otherwise. That has been a proposition introduced largely by the wool producing interests as a means of getting protection.

Mr. WINSLOW. Well, now, taking it from the consumer's end, is there any tangible evidence of a call from the consumer for such legislation as is proposed?

Prof. PLUMB. Not that I am aware of excepting in the almost universal complaint. I am afraid that there are plenty of us who do not realize the fact that while there are a large number of producers of wool in the United States, all of those wool producers wear clothes. They recognize of what wool consists, and many of the men who have been buying clothing during past years have discovered that the clothes they are buying to-day do not have the durability, the finish, nor the quality of the clothes they used to buy had.

Mr. WINSLOW. Is there anything else that you know of besides cloth? [Laughter.]

Prof. PLUMB. I do not quite follow you.

Mr. WINSLOW. Do you know of a single article that enters into consumption that is as well made or lasts as long as formerly, grade for grade and price for price?

Prof. PLUMB. At the present time? I do, yes.

Mr. WINSLOW. I would like to get in on that. What is it?

Prof. PLUMB. If you buy commercial fertilizers you have stamped on the sacks just what the composition is, and in every State we have to-day agencies directed by our State boards of agriculture and colleges of agriculture, by which we have a check on that material.

Mr. JONES. But Mr. Winslow does not need fertilizer. [Laughter.]

Mr. WINSLOW. I do need fertilizer. I am a farmer myself. I have to buy fertilizer if I can get it. You spoke of that.

Prof. PLUMB. Yes, sir.

Mr. WINSLOW. What fertilizer do you know that you can buy at the same price, grade for grade, that you could buy 10 years ago?

Prof. PLUMB. None.

Mr. WINSLOW. Now, then, when you pay the advanced price for it, you can get it, can you not, in about the same quality, same proportion?

Prof. PLUMB. Yes, sir.

Mr. WINSLOW. But if you want to get it for half the price you can not get it half as good. It will not be what you want. Do you insist that the public can not obtain, at a price, clothes that will wear as long as those bought at a price five years ago?

Prof. PLUMB. An individual may get a suit, but I would not say that he could get suits.

Mr. WINSLOW. Probably he could not pay for them. But my point is this, that the contention made on the part of the wool grower who complains because his clothes do not wear as long as they did before, is that he is considering not only the clothes and the wearing qualities, that he is not going by the former price of the same kind of goods. I do not think I made that very clear. If a man paid \$50 for a suit of clothes five years ago, and they wore to his satisfaction he might well pay \$65 for a suit of clothes now that would not wear as well as the \$50 suit.

Prof. PLUMB. Yes, sir.

Mr. WINSLOW. But if he will follow up the \$50 suit to \$125, he may get clothes that will wear just as well, and the component parts of the clothes would be the same.

Prof. PLUMB. I might make this statement here, that I had a friend of many years who was a dealer in men's clothing, and a very honest man. He handled the various grades of clothes from the ordinary cheapest clothing material to the very best grades made in the American market, and he told me that the clothier makes his biggest profit on the cheap grades.

Mr. WINSLOW. That is a matter of trade. That does not determine the quality.

Prof. PLUMB. Yes, but it is on the basis, I take it, that the ingredients in those cheaper clothes enable him to make the bigger percentage of profit.

Mr. WINSLOW. It may be or it may not. It may be that he always made the greatest profit on the cheapest clothes, but I do not want to get you off on another line. We would never determine it.

I want to ask you this question definitely, if you can show in any way any facts to prove that the buying public has begun to complain because they do not know what is in the clothing they buy? Now, of course, you take the wool raisers, we know we have seen and heard enough of them here to realize that, naturally and properly enough as things go, after this agitation has begun you might begin to realize that clothes have not been wearing as well as they used to, but they are prejudiced witnesses in such cases. Take the consuming public, that knows nothing about the subject at all and has no interest other than in the clothing. Have you any of those, in any number, who say that they have not been satisfied in their ability to buy quality clothes at a reasonable price?

Prof. PLUMB. Of course, you could only take my word for the statement I made as bearing on a point like that, because there is no preparation to bring in such testimony here. I live in a city of 250,000 people. My work takes me in intimate contact with farmers of the State of Ohio, but I mingle and associate every day with city people and with large numbers of young men besides, and for years I have had this discussion presented to me by those people, "What is the matter with the cloth in our clothes to-day? Why can not we buy good durable suits of clothes to-day as compared with what we used to buy?" I think the statement I made in that connection would be verified by any number of people all over the United States.

Mr. WINSLOW. No one doubts your word. I am sure I do not. But I was wondering if there was any line of evidence acceptable, of a popular character, which would demonstrate the fact that this was one of the contended considerations on the part of the people in regard to their daily purchases. Now, maybe you are not the one to answer that question. Of course, there are leagues for investigating and reporting on those things, and as a rule when they expect to be given credence they come forward with testimony. They have done it before now.

Prof. PLUMB. I think representatives of the Bureau of Commerce and Labor would be the ones to investigate that question.

Mr. WINSLOW. There are trade commissions, fair-trade leagues, and consumers' leagues and others who expect when they make a statement like that to back it up with real facts. I was anxious to know if from your viewpoint you had seen any accumulation of evidence of that character?

Prof. PLUMB. No, sir; I have not.

Mr. SIMS. It was an old saying that seeing is believing. I was old enough during the Civil War—literally—in other words, I was 8 years old when the war commenced. I lived in Tennessee where all interstate trade ceased. You could not buy anything in the entire country and bring it into your State or community. So the women had to go to manufacturing everything that was needed of wool or cotton, and there were no other goods to be worn by anybody except these homemade fabrics. They had to make what was called jeans. The wool was grown right there and it was carded and spun by hand and woven by hand, and it was dyed with barks which made it brown or black, and brown jeans suits made by those women at that time

out of pure wool and dyed only with vegetable dyes would last three or four times as long as what was commonly known in the country as "store clothes."

Prof. PLUMB. Yes.

Mr. SIMS. And having these looms made at home, and having acquired practice and the knowledge, homemade jeans and homemade blankets were made for a number of years after the war was over. And why? Because they were so much better, so much more durable that it was economical to make them. But as time went on they began to sell the "store blankets" considerably cheaper, and the people quit manufacturing their own products. But in that way it was proved beyond any question that the homemade product was made out of better raw material, and that a piece of all-wool goods, that was all virgin wool and grew in that neighborhood, was honestly made, honestly woven, honestly dyed. You could not find that anything was as good as homemade, and you would be getting the highest value as to durability, not as to finish and looks, and not as to feeling, but as to an honestly made product and the time that it would last. A homemade blanket would last 20 or 25 years. Now it seems to me that if that was the effect of using pure virgin wool in manufacturing honest goods to be used by the people who manufactured them and not to be sold at a profit, and if goods made out of virgin wool without reference to deceiving anybody as to honest wear, honest durable goods, and were therefore economical and beneficial to the people, outside of the loss of time the individual would have to lose in making inferior goods, why can not homemade clothes now be better than "store clothes?"

Prof. PLUMB. I would like to say, Mr. Winslow, as a partial reply to your question, about whether the consuming public is dissatisfied or not as to the quality of their clothes, that it has not been referred to before in these hearings, but the retail clothiers in many sections of the country have come out in very strong terms in favor of some legislation that would result in a more satisfactory character of the material in clothing. I have been present at conferences of wool men where those prominently identified with the retail clothing trade have taken the floor and put themselves on record to that effect. If that is not the best evidence in the world in favor of this legislation, why then I do not know what is good evidence.

Mr. WINSLOW. Are there any resolutions of that character which are available?

Prof. PLUMB. Yes, sir; I think they can be presented by others than myself.

Mr. STINESS. The object of this bill is to prevent people from being deceived in the purchases of clothing, is it not?

Prof. PLUMB. Yes, sir.

Mr. STINESS. By a mark so that they can not be deceived?

Prof. PLUMB. Yes, sir.

Mr. STINESS. The average man who is not a member of this committee and has not been attending these hearings would, if he wanted a suit of clothes, go to a customs tailor and say, "I want a spring suit. Show me what you have." He would take down different rolls of cloth and show them to the man, who would pick out a thing that suited his fancy for color or for style or something of that kind. Do you think that one out of a great number would even ask any-

thing more than this, "Will it wear well?" and if the tailor tells him it will, he would have a suit made from that, providing that the price was satisfactory. What is your opinion about that?

Prof. PLUMB. The men who go to a tailor are the most particular buyers of clothes, to start with. They are the people that can best afford to pay a good price, and the commercial tailor ordinarily does carry a good line of cloth.

Mr. STINESS. Now, the man who goes there relies on the tailor, does he not?

Prof. PLUMB. He certainly does.

Mr. STINESS. He asks, "Does this wear well?" and the tailor says "Yes." I have been wearing clothes a good many years, and I never in my life heard of virgin wool until this hearing. And I never asked whether it was all wool or not. The man who goes to a customs tailor does not want to get the last hour of wear out of his clothes. He gets tired of his suits. It gets shiny on the back, but it is not worn out.

We will go a step further. We will say he gets a suit of clothes from Parker, Bridget & Co. or such a store. How is it to be marked?

Prof. PLUMB. The bill specifies.

Mr. STINESS. I have not it in my mind. I did not know but you had it.

Prof. PLUMB. It is to be marked with a strip of cloth with a statement of the percentage of virgin wool, shoddy, etc.

Mr. STINESS. And if the cloth is pinned on the suit it can be unpinned, can it not?

Prof. PLUMB. I presume so.

Mr. STINESS. And if they asked the same question of the salesman in the store, "Does it wear?" and he told the customer it would wear well, it would be taken by the customer, would it not?

Prof. PLUMB. I surmise that any requirement of the law relative to tagging or anything like that would be as vitally necessary in the case of a suit of clothes as it would be on a sack of fertilizer.

Mr. STINESS. In some departments such as the Shipping Board, take the average men employed there, do you think if they went into a store to buy a suit of clothes that they would ask these questions as to whether it was all wool or anything of the kind? Would not the first thing that they would do would be to ask whether the suit would wear well?

Prof. PLUMB. I should say if they do not ask those questions that the people from that group of laborers would represent a very small minority of the people who wear clothes.

Mr. STINESS. I think they are an average class of highly skilled laborers in that department.

Prof. PLUMB. If you were to go about among laboring people, we will say in Europe, you would find plenty of those people (or you would find it so at least before the war, and I speak from experience) all over Europe, just the commonest people, are very familiar with what is in our ordinary garment material. They can talk to you about linens, they can talk to you about woolsens, and they have very pronounced views about the subject. It is just common everyday information among the people. Now, I do not think we could keep in mind all of the various minute details of a certain brand of goods. We can take some types of goods that are made into clothes that may

vary in style, character, finish, and color, but they will always represent a type of cloth that can be classified in some group.

Mr. STINESS. I have heard it said frequently that to rest a suit of clothes adds to its efficiency of wear. For instance, if a man gets one suit and wears that out and then another, and then the third, he would not get so much wear out of his clothes as if he got three suits and changed them from day to day. That would rest them.

Prof. PLUMB. As a college professor I never had suits enough to experiment in that way. [Laughter.]

Mr. STINESS. Of course, if you do not have but one suit of clothes you are not qualified as an expert.

Prof. PLUMB. You had best call on somebody else.

Mr. STINESS. What other marks are put on a suit of clothes as to the cost to the consumer in the end? A man buys a machine for \$1,500 for use in marking clothing. The man who wears the clothing has to pay for it in the end.

Prof. PLUMB. Yes, sir; he has. I went to see some oak flooring recently, and a friend told me that oak flooring that used to cost \$80 was now \$235, and I concluded that everything was in the hands of the lumbermen, but was not in the hands of wool producers.

Mr. STINESS. As a matter of economy you would fall through the floor rather than have a new floor.

Prof. PLUMB. Yes, sir.

Mr. WINSLOW. With that knowledge in your mind, what would you say to a lumberman if he said he could give you good oak for \$100 a thousand?

Prof. PLUMB. I would want to see it first.

Mr. WINSLOW. You would think it was poor oak, would you not?

Prof. PLUMB. I could tell better after I saw it.

Mr. WINSLOW. It is oak just the same.

Prof. PLUMB. Oak is the plain straight goods. A suit of clothes is not always what it seems.

Mr. WINSLOW. I believe they testify that a suit of clothes made of simon pure wool is one thing, and, of course, shoddy is another, and when you come to feel it it is another.

Mr. COOPER. I believe it was stated by the opponents of this bill before the committee, when the question was asked by one of the members here as to whether or not a piece of fabric out of pure virgin wool would wear longer than a piece of fabric out of the best shoddy, they said undoubtedly the fabric out of the best virgin wool would be better than the fabric out of the best grade of shoddy. So if the people could understand that that fabric out of the best grade of virgin wool was better than the fabric made out of the best grade of shoddy, the chances are they would want to get the best.

Prof. PLUMB. I tried to bring out in my statement of the methods involved in the manufacture of shoddy that the process in itself really injures the fabric. That is what I tried to bring out.

Mr. COOPER. I was not going to go into that. I just wanted to make that point that it was not denied that pure virgin wool makes the best fabric that is made.

Prof. PLUMB. Of course we realize that there is a great deal of difference in the real value of clothing. The person who has a genuine virgin wool piece of broadcloth finds it is almost impossible to wear it out, but you can get, if you want to take a piece of tweed, a loose

coarse fabric, with plenty of the inferior class of wool in it, which you can easily see would break up and go to pieces in a relatively short time.

Mr. JONES. It is conceded that there is not enough virgin wool in the United States to clothe the people of the United States?

Prof. PLUMB. Yes, sir.

Mr. JONES. So that all clothes must contain possibly more or less shoddy. Who is going to draw the line as to the percentage of the virgin wool in the cloth and the shoddy? How are they going to determine? The bill does not provide that.

Prof. PLUMB. The manufacturer, through the law, ought to give the consuming public a certain amount of protection on that point.

Mr. JONES. I want to ask the same question I have asked other witnesses. Here are two pieces of cloth, one 80 per cent virgin wool and the other 80 per cent virgin wool. They are both made of virgin wool, but one happens to be an inferior grade of virgin wool. The law only provides for marking them virgin wool and shoddy wool, but the virgin wool of the one is a higher grade than the other. Is it not necessary to mark virgin wools according to the grade?

Prof. PLUMB. I doubt very much whether there would be a material difference if you take cloth of the same class. It is hardly a fair comparison to introduce evidence of that kind, because you are practically putting up against the one a very inferior quality of the other.

Mr. JONES. But they are both marked the same.

Prof. PLUMB. But the point I make I have already made it in the case of the comparison of broadcloth and a cheap tweed.

Mr. JONES. Yes; but you are depending upon the mark to convey information.

Prof. PLUMB. It will convey information to any housewife who has average intelligence.

Mr. JONES. Then she is not depending on the mark. She is depending on her average intelligence. The mark is of no help to her.

Mr. BARKLEY. I did not get in at the beginning of your testimony. Did you state the organization or the interest in whose behalf you appear?

Prof. PLUMB. Yes, sir.

Mr. BARKLEY. What was that?

Prof. PLUMB. I stated that I was representing the National Sheep and Wool Bureau, the Ohio Sheep and Wool Growers' Association, and the American Cheviot Sheep Society.

Mr. BARKLEY. The National Sheep and Wool Bureau—what function does that organization perform?

Prof. PLUMB. It is a national organization and it has been active in several ways. Its first work, in which it was pretty active, was during the war getting sheep men, and they had conferences at Chicago, in which a great effort was made to increase the number of sheep on the farms and therefore increase the amount of wool, and it played a part in the purchase of sheep and placing them on the cut-over lands of Michigan, Wisconsin, and that section. And then following, after the war was discontinued, this work of endeavoring to do something to assist in clarifying the clothing situation was taken up.

Mr. BARKLEY. A sort of central organization for the benefit of the woolgrowers?

Prof. PLUMB. Yes, sir. There are very prominent men in the sheep business way out on the far western plains that are active in that association as well as those on the Atlantic coast.

Mr. BARKLEY. You referred in your testimony to a comparison which had been made with some of the witnesses with reference to marking oleomargarine.

Prof. PLUMB. Yes, sir.

Mr. BARKLEY. Do you or not make any distinction between oleomargarine and butter; do you make any distinction between the marking of that so as to show it is not butter, and the marking of any class of wool, one class of wool as compared with another class of wool?

Prof. PLUMB. I do not make any distinction when it deals with the fundamental purpose of truth.

Mr. BARKLEY. Your position, then, is the fact that oleomargarine is not butter and is marked so as to show that it is not butter is based upon this same principle as that involved in this legislation—that wool shoddy is wool, it has the character of wool, but ought to be differentiated as against pure virgin wool?

Prof. PLUMB. I would like to say this, gentlemen, and that is if you will study the history of agricultural legislation of the United States, if you will go back to Massachusetts and Connecticut and New Jersey, you will find that there were movements begun there relative to legislation which would give protection to the farmers in the use of fertilizers, in protection from the adulteration of feeding stuffs and various other things, and now to-day we are arriving at a point where we are taking up the adulteration of wool. You might say that reworked wool is not adulterated wool. Technically it is not, but honestly speaking, as it is now used, it is, so to-day we are before you, and just as in the past conferences and hearings have been held in Congress, this is all for the main purpose of getting a square deal.

Mr. BARKLEY. Do I understand you to say that there is only one concern in the United States that makes a speciality of manufacturing cloth from virgin wool?

Prof. PLUMB. There may be others. I do not know of any others. So far as manufacturers of cloth are concerned I know of one mill. I have been all through their mill, have been in touch with them, and know something of their wools, and I have no reason to believe that they use a particle of wool shoddy in their cloth.

Mr. BARKLEY. What house is that?

Prof. PLUMB. The Cleveland Worsted Mills. I presume the same thing would apply to other mills. In fact, there is relatively little shoddy used in worsted. It does not make any difference whether shoddy is used in worsteds or not; the whole cloth is more or less damned by the trouble which exists in certain directions.

Mr. COOPER. I believe it was stated here before this committee that 60 per cent of all the fabrics made in this country are made out of pure virgin wool.

Prof. PLUMB. I so understand.

Mr. BARKLEY. I understood you to say that there was only one concern that was interested in making virgin wool cloth, and I wondered if that was true, and if so what concern it was.

Prof. PLUMB. I would not stand here to pass judgment on the individual producers of cloth in this country.

The CHAIRMAN. The French bill is practically a criminal statute, is it not?

Prof. PLUMB. I think so; yes, sir.

The CHAIRMAN. Now under a criminal statute you can only convict when the guilt is established beyond a reasonable doubt. Are you so sure in your science of chemical analysis that you would not convict malefactors of using shoddy when in fact they only used short staple virgin wool?

Prof. PLUMB. Well, I should be very much inclined to doubt it.

The CHAIRMAN. It only goes to the practicability of the plan involved in the bill.

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. So far as you know is there any State legislation covering the subject matter of this bill, patterned after this bill or after which this bill is patterned?

Prof. PLUMB. Not that I am aware of.

Mr. SANDERS of Indiana. So far as you know is there any legislation in any country regarding the sort of label with reference to shoddy and virgin wool?

Prof. PLUMB. I understand there is legislation. I am not familiar with it. Certain factors of this type of legislation are now being established in Australia, and also Japan.

Mr. SANDERS of Indiana. Requiring the labeling of virgin wool and requiring the labeling of shoddy?

Prof. PLUMB. Yes, I believe so.

Mr. SANDERS of Indiana. Have those acts been made a part of these hearings?

Prof. PLUMB. No, sir.

Mr. FRENCH. I am not familiar with that.

Mr. SANDERS of Indiana. Have they been incorporated in the hearings?

Mr. FRENCH. I do not know.

Mr. SANDERS of Indiana. How recently has there been an agitation for truth in fabric legislation? How recent is this agitation? Has it covered a number of years?

Prof. PLUMB. I should say that this subject was taken up by the National Sheep and Wool Bureau about 15 months or perhaps two years ago.

Mr. FRENCH. May I suggest that the first bill introduced in the Congress that involved this matter was by Gen. Grosvenor 18 years ago.

The CHAIRMAN. In 1902.

Mr. FRENCH. Yes, and Gen. Grosvenor reintroduced the bill in the 58th Congress, and since that time in one way and another it has been introduced in various other successive Congresses.

Mr. SANDERS of Indiana. You say the subject of this bill. Did those prior bills require the labeling as to whether it was virgin wool or shoddy?

Mr. FRENCH. The expression that Gen. Grosvenor used was "pure wool." I think he defined pure wool as wool that had never been used in manufacturing in any way. I have a copy of his bill. The expression "virgin wool" has been thought to be an expression that

would be less liable to be abused than if the words "pure wool" were used, although any word could be given a definition and "pure wool" could be given that definition. If you conceded that it was that in law it would be that, whatever it was. We thought the expression "virgin wool" would lead to less confusion.

Mr. SANDERS of Indiana. Were hearings had on these bills?

Mr. FRENCH. They went before the Ways and Means Committee on the question of licensing. I do not know whether hearings were held or not.

Mr. SANDERS of Indiana. Have hearings been held on any of those bills?

The CHAIRMAN. Yes.

Mr. SANDERS of Indiana. Were any of them reported favorably?

The CHAIRMAN. A misbranding bill was reported several years ago. No labeling bill as I understand it has been reported.

Mr. SANDERS of Indiana. The French bill in its essentials is directed toward the supposed evil of the existence of shoddy in woolen goods, which causes a deception to the ultimate consumer?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. The manner in which that evil is supposed to be reached is to provide that virgin wool shall be so labeled, and that wool containing shoddy shall be so labeled?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. And there are dire penalties for the violation of any of the provisions of the act. Well, now, there has been shoddy cloth for many years, has there not?

Prof. PLUMB. Yes, sir. In this country it is reported about 60 years.

Mr. SANDERS of Indiana. For about 60 years?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. What has caused the increased agitation for this legislation?

Prof. PLUMB. I think because of its greatly increased use so that clothing has not worn as well as it should.

Mr. SANDERS of Indiana. You think they use more shoddy now than they did before?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. Are there any statistics indicating how much the increase has been in the last 10 years, say?

Prof. PLUMB. I have not any figures at my hand on that point.

Mr. FRENCH. Mr. Chairman, might I suggest that I have already placed in the hearings figures showing the increase in the use of shoddy from 1869, showing approximately 19,000,000 pounds then, and following down to one recent year when there were about 120,000,000 pounds and another year 74,000,000 or 75,000,000 pounds, giving the figures in recent years.

Mr. WINSLOW. Do you show the percentage in relation to the amount of wool used?

Mr. FRENCH. I show the amount of wool used in 1869 as well as the amount of shoddy, and the amount of shoddy in recent years. Wherever I show the amount of shoddy I show the amount of wool.

Mr. JONES. That is confined to the United States?

Mr. FRENCH. Yes.

Mr. JONES. Do you take into consideration the growth?

Mr. FRENCH. Of course it would have relation to the amount of wool used.

Mr. SANDERS of Indiana. What is the present proportion you say of imports as compared to the domestic supply of wool?

Prof. PLUMB. We have been producing about 300,000,000 pounds of wool and we have been buying about the same amount, so it is about one for one.

Mr. SANDERS of Indiana. We buy the wool and bring it over here for manufacturing purposes?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. That percentage does not include the woollen cloth that is imported into this country?

Prof. PLUMB. No, sir, that is raw wool, wool in the grease, as they say.

Mr. SANDERS of Indiana. What about our exports of raw wool?

Prof. PLUMB. That is not a very large factor.

Mr. SANDERS of Indiana. A negligible amount of exports?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. It was suggested by you that it be quite desirable for this country to furnish its own wool?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. You believe in that principle generally?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. How will this legislation bring that about?

Prof. PLUMB. I can not help but feel very decidedly that anything that is done to require material to be sold for what it actually is is a gain for the producer of that material.

Mr. SANDERS of Indiana. How do you mean gain?

Prof. PLUMB. I mean a gain, that is, he is more likely to get actual value for his goods because he has no competitor in the form of false goods.

Mr. SANDERS of Indiana. Then your proposition really means that if this legislation was enacted there would be such an increase of the price of wool that instead of furnishing 50 per cent we would furnish practically 100 per cent?

Prof. PLUMB. I do not say it would be due entirely to this legislation. I think this, among other factors, would be an important one.

Mr. SANDERS of Indiana. You think this would be a factor towards that end?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. And for one reason because it would increase to the wool grower the price of his wool?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. It is not the purpose of this act to provide what we shall do with our exported goods, I believe, is it? Is it, Mr. French?

Mr. FRENCH. That is the theory of the act, although that feature is not essential to protecting our own people. You could use the language I think of the pure food and drug act if you wanted, but so far as exports to foreign countries may be concerned, we did think, in drafting the bill, that it was quite advisable to have an American

standard to be interpreted as meaning that American goods with that brand would be worth 100 cents on the dollar.

Mr. SANDERS of Indiana. In other words, requiring the man going into the exporting of goods to put on the same stamp as at home?

Mr. FRENCH. That is the language of the bill, although it has been developed by the committee that the pure food and drug act provides that wherever goods are ordered by a foreign purchaser to be made in the United States, not under conditions conforming to the pure food and drug act, the American concern could do that if it chose to do so. That is not in the bill. The bill contemplates as it is now written the same standards for sale everywhere.

Mr. SANDERS of Indiana. Thank you.

Now I want your opinion as to whether you think if the committee should act favorably on this bill, there should be a provision that goods manufactured for export purposes should be labeled in the same manner as goods manufactured for domestic use?

Prof. PLUMB. Yes, sir. I think the labeling of all American goods going abroad would bring money to the American producer.

Mr. SANDERS of Indiana. Do you know what percentage of woolen cloths are exported?

Prof. PLUMB. No, sir, I do not.

Mr. SANDERS of Indiana. You do not know how much of our cloth that has shoddy in it is exported?

Prof. PLUMB. I do not.

Mr. SANDERS of Indiana. What do you think would be the effect on the market price of goods marked shoddy sent into the Dominion of Canada as compared with the same sort of goods sent in there without label?

Prof. PLUMB. I would rather have the manufacturer of cloth answer that question.

Mr. SANDERS of Indiana. Would it not depreciate it in price?

Prof. PLUMB. Yes, it would depreciate the price if it did not have any label on it.

Mr. SANDERS of Indiana. Would it be fair competition to require our export manufacturer to send his goods into competition with other countries with goods which were not required to be so labeled?

Prof. PLUMB. I can not help but believe that if they are honest it would be good business.

Mr. SANDERS of Indiana. Yes, but if they could not put their goods in there at a competitive price, it would not mean any business.

Prof. PLUMB. If poor American goods are sent in it hurts American prices. There is a reaction.

Mr. SANDERS of Indiana. But all those goods that contain shoddy are not poor goods, are they?

Prof. PLUMB. Not necessarily.

Mr. SANDERS of Indiana. Therefore the woolen goods containing shoddy would be at a disadvantage when you send them into foreign countries, would they not?

Prof. PLUMB. I do not think they would be if labeled.

Mr. SANDERS of Indiana. Of course the purpose of the legislation would be to inform the prospective purchaser of the quality of the goods he was purchasing. That is the ultimate purpose?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. Is there any danger of furnishing a false standard to the purchaser because of the fact that he is not given all the information, and yet he is given such information as he might—not being an expert—think was of insufficient value.

Prof. PLUMB. I think that undoubtedly some people might be misled, but here is what I should anticipate. We have hundreds of thousands of people to-day that are being educated throughout the country through the agricultural colleges. You take the women in home-economics work. If anything containing wool is properly marked and labeled, they can see very easily—and I speak from personal contact with at least two big institutions that educate young ladies—where samples of these materials would be used and go out through the educational institutions, through the extension schools, and the gatherings of farmers all over the State, giving people instruction on these very things.

Mr. SANDERS of Indiana. I think that is very fine. In other words they would have the law which would require some information to be furnished, and then the people could be educated with reference to additional information?

Prof. PLUMB. Yes, sir.

Mr. SANDERS of Indiana. Would you be in favor of further classification, of their indicating to the purchaser what different grades of wool he was getting both in the virgin wool and in the shoddy?

Prof. PLUMB. I think there is question as to how much classification could be done outside of groups of cloth. You take the serges, broadcloths, certain kinds of dress goods, flannels, blankets, overcoats, meltons and things like that, and they are classes of material that are commonly understood. But when you come to divide those up and reclassify, it seems to me that there is a possibility of having too many grades.

The CHAIRMAN. We are much obliged to you, professor, for the information given us. Who is the next witness?

Mr. FRENCH. Mr. Hill.

STATEMENT OF MR. E. S. HILL, FREEVILLE, N. Y.

Mr. HILL. I am representing, as secretary, the New York Federation of County Wool Growers.

First, I will present two resolutions that were drawn up at meetings of this State association. This first was a resolution of a summer meeting in Cooperstown, N. Y., August 13. [Reading:]

Whereas it has become the common practice of many manufacturers of so-called woolen fabrics to mix with virgin wool either cotton, shoddy, or reworked wool and to place such fabrics on the market as all wool fabrics, to the great detriment of the consuming public as well as to the wool growers of the country: Therefore be it

Resolved, That it is the sense of this association that the proper legislation be enacted requiring all manufacturers or dealers in woolen fabrics to have displayed on each garment or fabric offered for sale a statement showing the actual percentage of virgin wool therein contained; and be it further

Resolved, That a failure so to do or any false statement made in relation thereto shall be subject to an adequate fine or imprisonment, or both, as may be determined by such legislative enactment; and be it further

Resolved, That the secretary of this association be directed to send a copy of these resolutions to all organizations interested in the subject matter.

The next resolution was passed by the New York State Federation of County Cooperative Wool Growers Associations at their annual meeting at Syracuse, N. Y., February 27, 1920. [Reading:]

Resolved, That the New York State Federation indorse the resolution on the truth-in-fabric legislation made by the Fleece Wool States Growers Association at their annual meeting in Chicago, Ill., December, 1919.

Be it further resolved, That the New York State Federation of County Cooperative Sheep Growers Association (Inc.), approve of Federal bill H. R. 11641, as introduced in the House of Representatives at Washington by Congressman Burton French; also of the amendment to the New York State agricultural law as drafted for presentation to the Assembly of the State of New York by Hon. J. Van Wagenen and direct that its executive board give their best effort to secure the passage of both Federal and State bills.

Mr. JONES. Were you present at that convention?

Mr. HILL. Yes, sir.

Mr. JONES. How was this bill presented to them?

Mr. HILL. In open meeting.

Mr. JONES. Was it read?

Mr. HILL. Yes, sir.

Mr. JONES. Was it discussed?

Mr. HILL. Yes, sir, and it was passed unanimously in both cases.

Mr. SANDERS of Indiana. Was the bill itself read, the French bill?

Mr. HILL. I think so.

Mr. SANDERS of Indiana. I think the witness misunderstood. He was asking that question with reference to the resolution.

Mr. HILL. I beg your pardon.

Mr. JONES. I meant was the bill read?

Mr. HILL. No, sir; I think not, although it seemed to be thoroughly understood.

Mr. JONES. The general subject matter was discussed?

Mr. HILL. Yes, sir.

Mr. WINSLOW. Did someone bring it to the attention of this association from outside?

Mr. HILL. If I remember, as secretary I wrote to the president of the national association in regard to any action that was being taken in Washington in regard to this measure. You will notice the Cooperstown resolution was long before the bill had been introduced.

Mr. WINSLOW. Can you give the name of the president of that association?

Mr. HILL. J. F. Walker of Ohio, who will appear here later, I believe.

Mr. JONES. One more question. How many days were you in session when this resolution was adopted?

Mr. HILL. In Cooperstown, two.

Mr. JONES. In Syracuse, how many?

Mr. HILL. One.

Mr. JONES. How many members were on the committee of resolutions?

Mr. HILL. Three, I believe.

Mr. JONES. Appointed that day?

Mr. HILL. Yes, sir.

Mr. JONES. And made the report the same day?

Mr. HILL. Yes, sir.

I have here a letter from a friend who was in the mercantile business in the clothing business, that I would like to read some extracts from,

and I will leave it with the committee. Some of the matter diverges from the matter taken up here, and that will save time.

The CHAIRMAN. It may be incorporated in the hearing.

The letter follows:

WESTPORT, N. Y., *March 22, 1920.*

MR. E. S. HILL, *Freeville, N. Y.*

MY DEAR MR. HILL: From the standpoint of an honest retail merchant, the opposition to the pure fabric law is ridiculous. I was in the retail clothing business 15 years, beginning in a small town, Prattsburgh, Steuben County, N. Y.; have worked for R. H. Macy Co., New York, and for Browning King & Co., at the Omaha store, and afterwards operated a ready-made and merchant tailoring business at Bath, N. Y.

I well remember buying in 1916 about five 15 to 20-yard lengths of woolens for our merchant tailoring department at what was claimed by salesmen, and appeared to be, quality considered, about 50 cents under the market. Salesmen stated that they were remnants of those patterns. Hence, the special price to close.

My judgment after 15 years' experience and the judgment of my associates, a cutter of equal or more experience, based on appearance and feel of the goods, was that the material was high class, but the first suit sold proved our judgment had deceived us and, had the firm we bought the goods of refused to take the goods back, our loss would have been heavy. Had our trade been transient and our conscience dull, we could have made a fine profit selling the suits for what they appeared to be, but were not.

I am wearing a suit made in 1916. Goods cost at the time \$3.62½ per yard less 7 per cent discount. The trousers have worn through at the bottom and the edge of the sleeves have worn through. Both have been shortened and the goods look bright and shape as good after the severe wear given. I am out in all kinds of weather in this work and many times has the suit been soaking wet and covered with clay mud from putting chains on my jitney in the ditch, out on a hill or in a mud hole. At that time, 1916-17, cloth made from shoddy and inferior material sold for from \$1.50 to \$2.50 per yard or say approximately one half the cost of the high quality cloth. Cutting, making, trimming a suit is the same, no matter what the quality of wool the cloth is made from (however, the better grades of cloth work easier than the poorer grades). The small custom tailor usually buys in suit pattern lengths of 3½ to 3¾ yards. Ready made clothiers, through an efficient system of laying patterns and allowing small outlets, get an average suit from 3½ to 3¾ yards. It is obvious, then, the difference between the real cost of a good suit and a miserable sloppy substitute should be the difference in the cost of raw material to make the cloth (assuming, of course, the cost of working shoddy is the same as the cost of working virgin wool). Assuming the price of high-class scoured virgin wool to be \$2 per pound, and high class shoddy to be 50 cents per pound, and that it takes 4 pounds of the material to make cloth enough for a man's suit (most finished suitings weigh from 11 to 16 ounces to the yard and it takes say 3½ yards) if the material were all virgin wool, the cost would be \$8. If half shoddy, it would be \$5. Each dealer that handles the goods has a right to his per cent of profit on the \$3 which would perhaps legitimately double the \$3, making the virgin wool suit cost \$6 more than the suit that is half shoddy.

* * * * *

Very truly, yours,

JAY GILDER, *County Agricultural Agent.*

MR. HILL. There is a little question as it affects the State of New York. In the first place we wool growers of the State have not the investment that the great States of the West have. Our flocks run smaller. Perhaps in my own section 30 sheep to the flock would represent an average. But Mr. Mooney, the president, thinks that considering the number of sheep in his section, 60 would be nearer right. Now, we are confronted as farmers to-day with the shortage of 17 per cent in farm labor of every kind.

MR. BARKLEY. Seventeen of seventy?

MR. HILL. Seventeen. We have thousands of acres. We had a great many acres before the war that would raise sheep, and we have thousands more now because we are not able to till them. Now, if the wool situation—if wool manufacturing was stabilized—it would make a situation much better for the raising of sheep.

Now, if we raise wool we have sheep for mutton. There is the double deal. The farmers are feeling to-day, and this I have from personal conversation, which I could verify by letters if required by the committee, on reaching home, that unless the prospect is that they will have a fair deal, they do not care to take the matter up.

Mr. SANDERS of Indiana. I want to interrupt the witness and ask a question.

The CHAIRMAN. Very well.

Mr. SANDERS of Indiana. What do you mean by the price of wool stabilizing the industry?

Mr. HILL. We know that if other ingredients are put into wool which are cheaper, that the business of growing wool will be hurt, that is, we are brought into competition with cheaper goods which under the present law can compete with us without infringing the law, that is as the law stands to-day they are within the law in claiming garments as all wool, containing any amount of woollen shoddy, and are selling at a price equal to that which ought to buy virgin wool clothing.

Mr. SANDERS of Indiana. You do not quite answer my question. I see what you are driving at, but what I want to know is, you say you would not have to compete with these goods if this bill were passed? What effect would that have on peices?

Mr. HILL. It would stabilize them. Wools would be governed in price by the supply and demand, not by the amount of substitutes used.

Mr. SANDERS of Indiana. What do you mean by stabilizing them?

Mr. HILL. We would know where we are at after a short time.

Mr. SANDERS of Indiana. Do you mean it would increase the price?

Mr. HILL. I think it would, but I think the increase in production would counteract that.

Mr. SANDERS of Indiana. It may be that the price ought to be increased. I am not raising that question. But what I was getting at is, would it affect the price?

Mr. HILL. I think it would on account of the demand. I also think the woolgrowers of New York could benefit more through the better clothes that they would be able to buy than they would from the increased price per pound of the wool.

Mr. WINSLOW. If wool raising should go by the board it would not be possible to get wool shoddy would it?

Mr. HILL. I do not quite understand.

Mr. WINSLOW. Do you not have to have original wool in order to get wool shoddy later on?

Mr. HILL. I do not know whether it ever wears out or not. [Laughter.]

The CHAIRMAN. Who is your next witness, Mr. French?

Mr. FRENCH. Miss Haver.

STATEMENT OF MISS JESSIE R. HAVER, LEGISLATIVE REPRESENTATIVE OF THE NATIONAL CONSUMERS' LEAGUE.

Miss HAVER. Mr. Chairman, the National Consumers' League has been in existence for the past 20 years. Our president is Secretary of War Baker and Justice Brandeis was our counsel for many years until he became a justice of the Supreme Court. Since then Mr. Felix Frankfurter has acted as our counsel.

Last November at the annual meeting of the National Consumers' League the following resolution was passed:

We believe that statutory honesty, such as is now enforced by the Federal pure-food law upon druggists, candy manufacturers, and that part of the packers' products which goes into interstate commerce, will be equally useful when applied to cloth; therefore, we promote a Federal honest cloth bill, and in the interest of honesty and of the public health we ask our State and local leagues in the centers of the rag and shoddy industry to promote city sorting plants, clean and thoroughly equipped.

This resolution was embodied in the program for our next 10 years of work. It is going to be one of the principal things for which we shall work during the next 10 years.

We stand for the right of the purchasers and the consumers to know what they are buying. It seems only fair and proper that they should have the opportunity of making that decision just as we stood for the principle of the pure food law.

We believe that the French bill is constitutional and would be upheld by the courts.

On March 8 Mrs. Florence Kelley, who is our general secretary, wrote to the leaders of the political parties and made the following suggestion to be embodied in their political platforms:

We stand for the application to the textile industries of the same principle of compulsory correct branding and labeling already established in relation to food and drugs.

Mr. Chairman, I am appearing to put our organization on record behind this proposition. It seems to us entirely fair. It could not work any hardship, from our point of view, on either the shoddy people or the woolen people. A great deal has been said about the prejudice which might be created against the shoddy industry. Our members think that can be easily overcome when the goods are finally advertised for sale. If advertisements describe the goods, the composition of the goods, and then the point is made that of course, "This is reworked goods, or reworked wool, but it is more durable than certain grades of virgin wool," and the point is further made that the goods are cheaper, it ought to, and we think it will, overcome any prejudice that may exist, and the consumers, on the other hand, will feel much more at ease than they do now because they will be in a position to do intelligent buying. They know that clothes do not last, and they do not know why it is. They do not know on what basis they can make better purchases in the future, and we believe such legislation as this will remove that doubt and tend to make purchasers more intelligent in buying for their needs.

The CHAIRMAN. Is there a feeling among the members of your organization, the Consumers' League, that the word "shoddy" implies of necessity inferiority?

Miss HAVER. Well, I think there has been created a certain amount of prejudice in that. But during the last few years, with the improved manufacture of reworked wool, I think that can easily be overcome when the goods are advertised for sale. It is a comparatively easy matter to remove such a prejudice.

The CHAIRMAN. Are there any other questions?

Mr. JONES. You have been very patient in listening to this testimony.

Miss HAVER. Yes, I have been very much interested.

Mr. JONES. I do not review any of the testimony, but from what you have heard do you believe that stamping of the goods provided for by this bill will give any definite information to the purchaser?

Miss HAVER. We think he has a right to know whether he is purchasing a garment of virgin wool or shoddy.

Mr. JONES. I agree with you on that, but kindly answer my question. Will the tag give him that information? Will it give any information?

Miss HAVER. In my statement about the bill I said that we consider the French bill constitutional.

Mr. JONES. I do not argue that phase of it, either. I presume if Judge Brandeis has given that opinion, I would not take a contrary view.

Miss HAVER. He is no longer our counsel, Congressman.

Mr. JONES. Still you do not answer my question. You have heard the testimony that has been produced here. Will the tagging that is outlined in the French bill give the information that he ought to have?

Miss HAVER. I have made just the statement that I was instructed to make. It seems to us that purchasers should know when they are buying shoddy or virgin wool, and that is the statement I wish to stand on.

There was one question, however, which you have asked several witnesses, and which I should like to answer. I hoped that you would ask me.

Mr. JONES. I will ask you.

Miss HAVER. The question was this: If you have a piece marked 80 per cent wool——

Mr. JONES. Virgin wool?

Miss HAVER. Yes. One piece of fine fiber and another piece of cheaper fiber, both marked 80 per cent virgin wool; supposing the housewife makes a mistake and buys the cheaper fiber, do you not think competition will take care of that, because she will soon learn from experience the stores which carry the better grade of virgin wool goods?

Mr. JONES. No; I think I would condemn the fellow that sold it, and though it was marked according to law, she was deceived.

Miss HAVER. Don't you think she would have some standard, at least, upon which to base her buying?

Mr. MERRITT. The question is whether the label gives the information.

Miss HAVER. I think it might. We have a right to know whether it is new all-wool goods or not.

Mr. WINSLOW. How far do you want to go with that? To illustrate, do you want to have textiles, to have a little silk, a little cotton tie marked also? Carried to its conclusion, socks and every article of clothing would have to be marked.

Miss HAVER. As I have told you we have been studying this only since last November.

Mr. JONES. You have nine years to go yet?

Miss HAVER. Yes; to decide on just what kind of a bill will answer the needs adequately.

Mr. WINSLOW. What is your personal opinion about extending the scope of the legislation?

Miss HAVER. I would not care to give my personal opinion. It would not be worth anything. I am just representing my organization.

The CHAIRMAN. You have been before us before and have addressed the committee. With the knowledge you have of the subject, Miss Haver, do you think that there should be protection to the buying public—that buying public being largely composed of women—and is your reason for urging this bill that this bill will give that protection to the major part of the buying public?

Miss HAVER. Congressman, I do not urge this bill. I will read again just what I said. I said that we stand for the right of the purchasers to know what they are buying, that we consider the French bill constitutional, and we believe it would be upheld by the courts.

The CHAIRMAN. You do not want to go further than that statement?

Miss HAVER. That is as far as I care to go.

Mr. WINSLOW. You do not want to say anything as to the merits of the bill from the standpoint of the Consumers' League, as to the merits of the bill for legislative purposes?

Miss HAVER. I believe this bill was calculated to let us know when we are buying shoddy or virgin wool. Whether it will do this or not, our league is not entirely convinced.

Mr. WINSLOW. Is that a personal opinion or the opinion of the league?

Miss HAVER. I believe it is the opinion of the league, so far as I know.

The CHAIRMAN. Who is the next witness?

Mr. FRENCH. Mr. Moody.

STATEMENT OF E. L. MOODY, RUSHVILLE, N. Y.

Mr. MOODY. I am president of the New York Federation of Sheep Growers' Associations. This is a federation that embraces 31 counties of the State of New York that have organizations of county and local units. We have a membership in round numbers of 4,000 members in the different organizations. In the State we have something like 840,000 sheep, as near as we can determine by anywhere near reliable statistics. In Ontario County the last statistics that were anywhere authentic were around 40,000. At the present time, or during the war, we took a census under the auspices of the commissioner of agriculture and the educational department in Albany and we had about 35,000, a decline of about 12½ per cent.

Mr. WINSLOW. Are you willing to be interrupted?

Mr. MOODY. Yes, sir.

Mr. WINSLOW. The Department of Agriculture on the first of January, 1919, reports an increase for the preceding year in New York State of 28,000 sheep.

Mr. MOODY. When was that?

Mr. WINSLOW. The first of January, 1919. The preceding year increased 28,000 in New York State.

Mr. MOODY. Well, I do not have those figures available. About 840,000 were the last available figures I had at home.

Mr. WINSLOW. This covers the whole of the State, you know. You may have been referring to part of it.

Mr. MOODY. Well, as I see it, the decline has been about the same ratio in many parts of the State.

Mr. WINSLOW. This is an increase.

Mr. MOODY. That may be. The last available figures that I had for our county was in 1910.

Mr. WINSLOW. Things have changed.

Mr. MOODY. It is probable that there has been an increase in some portions of the State. In our county I think not. These figures are somewhat misleading because the situation varies from year to year very largely in some counties for the reason that they bring in very many western sheep and feed them out during the winter months. That varies quite largely in different years.

The CHAIRMAN. You do not bring western sheep to New York, do you?

Mr. MOODY. Certainly.

The CHAIRMAN. For feeding purposes?

Mr. MOODY. For feeding purposes.

The CHAIRMAN. They come from Wyoming ranches?

Mr. MOODY. All through the range country, sometimes one section, sometimes another. Sometimes from the State of Washington they bring in lambs and feed them for a period of 50 or 60 days, perhaps longer.

Mr. SIMS. Are they fed for meat production purposes or wool?

Mr. MOODY. Meat production purposes. As I said, that varies largely in different years, according to the various conditions of the market and feed in the State.

Now, I have not much to touch upon because my subject matter has been largely touched upon already. But in our State there is widespread unrest among the farmers. The dairy interests are not knowing which way to turn, in large measure. With the prospects of a decline in milk price, with an increasing feed bill, they are debating whether to turn from dairying to sheep, or not, and we have another section of the State where there is very fine pasturage. These are neglected farms where the sons in the family, the young portion of the families, or the laborers have gone to the cities where they can find more remunerative pay, and these highland lands, remote from market, make most excellent sheep pasturage.

The inquiry is made continuously whether we shall engage in the sheep business or not, whether it is going to be as it has been in former years, up to-day and down to-morrow. In years gone by the sheep industry has lost a great many men small fortunes; small because they were not large dealers or handlers.

It is a period of unrest to-day, whether to engage in the sheep business or not. Now, a considerable number of our people feel that this bill would have a tendency to stabilize the wool production of the country, and would increase the demand for wool, thereby making a continuous market for it. That being the case, we can make our pastures and our land available and not only produce more and better wool but also produce more mutton. We would help the economic conditions in two ways.

Mr. SIMS. Are there varieties of sheep that are good for both purposes, mutton values and also wool values? Do you know whether that is true, in the same animal?

Mr. MOODY. Yes, sir. We have a very varied variety of sheep in our State. I have a sample of wool here that I took from a sheep's back, Tuesday afternoon, grown within 12 miles of the city of Buffalo. I think it would compare very favorably, after it is scoured, with some of the samples of the Australian wools that were shown here the other day.

Mr. JONES. What direction from Buffalo is that?

Mr. MOODY. East from Buffalo, at the small town of Akron, if you are familiar with that section. These samples are from a 11-year old ewe, and I think the owner told me she had raised nine lambs. This [indicating] is a sample from a 2-year old ewe.

Mr. MERRITT. I think the question was whether the same breed of sheep could be excellent both for wool and for mutton.

Mr. SIMS. That is what I meant.

Mr. MOODY. That sheep, if fed, would produce as good staple wool as that, and is good for mutton.

Mr. MERRITT. There are breeds, are there not, that are better for mutton—

Mr. MOODY. Certainly.

Mr. MERRITT (continuing). Than a high-grade wool-bearing sheep?

Mr. MOODY. Well, yes, they will average better. But when a lamb is well fed and well cared for, grown quickly, and at no stage of its growth is hampered in any way for feed, it is good mutton. But if they become old—6, 7, 8, or 10 years' old—then there is a difference in the quality of mutton of course.

Mr. SIMS. Lamb's wool is of high quality also, is it not?

Mr. MOODY. Generally.

Mr. SIMS. So if you kill a lamb for mutton purposes, you would get a corresponding better quality of wool.

Mr. MOODY. If the lamb is allowed to come to something like maturity in order to get length of staple.

Mr. SIMS. They coordinate to that extent?

Mr. MOODY. They coordinate to that extent. Feed that will produce good wool will produce good mutton. We think that this bill would stabilize the wool proposition so that we could all increase our flocks, which we could materially do throughout the State.

Mr. BARKLEY. Do you mean by stabilizing that there would be no reduction in the price of raw wool in the future notwithstanding that general living expenses might go down later?

Mr. MOODY. Oh, that would have to be taken care of. I would not think that would be the case.

Mr. BARKLEY. You mean to say that Congress should pass a law to keep the present price of wool up where it is while other things might be going down?

Mr. MOODY. Certainly not. It would stabilize the demand for wool so the demand would be just the same if we increase the flock as if they continue as they are.

Mr. BARKLEY. Is wool grown at a profit at the prices prevailing to-day?

Mr. MOODY. Generally speaking, I think so. Still we have the condition this season that I doubt if there is any profit in the sheep business in the State of New York. You take the price of hay, the price of grain and labor, and I think for the year that if they were sold on the market they would get more than they would get by

feeding them to the sheep. But these are abnormal conditions. That does not apply every year, of course.

Mr. WINSLOW. Is your consideration of this subject based on the interests of the wool growers in the hope of the establishing a profitable industry?

Mr. MOODY. I do not quite catch that.

Mr. WINSLOW. Is your interest in this bill based on the desire to have legislation which will help to establish a more profitable industry.

Mr. MOODY. Not necessarily a more profitable industry, but a continued profitable industry.

Mr. WINSLOW. That is the point of your interest?

Mr. MOODY. Yes, sir.

Mr. WINSLOW. You are not asking it from the standpoint of the consumer of the clothing?

Mr. MOODY. I am interested in that as well. I am the head of a family of five that consumes as much clothing as anyone of my standing.

Mr. WINSLOW. If you did not have the interest in the wool business, would you be here to talk for the consumer?

Mr. MOODY. I certainly would.

Mr. WINSLOW. What are your arguments from the consumers' point of view?

Mr. MOODY. The consumer would know what was in the goods.

Mr. WINSLOW. Will you not illustrate that, please, by a system of markings which you can visualize?

Mr. MOODY. Well, suppose this case, that I want to buy a certain soft piece of goods suitable for a good suit of clothes, not necessarily a long-wearing suit of clothes, but sort of a dress suit, and I knew about the feel and the character of the goods that I wanted. I think if I found a piece of goods that was marked "all virgin wool" I would take that in preference to the piece of goods that had nearly the same appearance and characteristics of a piece of goods that was marked "all shoddy."

Mr. WINSLOW. Suppose you had one that was not marked either way. Then if the dealer would tell you that the little shoddy in it made it really a better wearing piece of goods, and it felt just as smooth and soft, what would you do?

Mr. MOODY. Well, if I had the other two goods there I would probably use my own judgment as to price.

Mr. WINSLOW. Where would your protection come in from the mark?

Mr. MOODY. If I had a piece of goods marked shoddy and a piece marked virgin wool, I would not have any question which was virgin wool and which was shoddy.

Mr. WINSLOW. Suppose you had one 75 per cent shoddy and 25 per cent virgin wool or the reverse, and the dealer told you that the one or the other was the best piece of cloth, what then would you do?

Mr. MOODY. I would look the goods over and use my own judgment in the matter. I would know what was in the goods to start with, if the marking was correct.

Mr. WINSLOW. Suppose you had one 75 per cent virgin wool and 25 per cent shoddy and you had one 40 per cent shoddy and 60 per cent virgin wool, and the man would tell you that the one with the more shoddy in it was the better.

Mr. MOODY. Well, I would rather doubt that (laughter) even if he told me so.

Now I want to say another thing in this connection, that among the country people the women that do the shopping as a general rule are the best judges of cloth, and I think that you will find that if this bill prevails in a short time they will be unable to fool a large class of people very much in regard to goods. I think they would soon become educated so that they would understand the good wearing qualities of shoddy as well as the good wearing qualities of virgin wool.

Mr. WINSLOW. Do you contend that the public is being fooled at the present time?

Mr. MOODY. To a large extent I think they are.

Mr. WINSLOW. Can you tell us on what you base your judgement?

Mr. MOODY. A few evenings ago I met a man on the train that had a very attractive looking suit of clothes on that he had just bought a few weeks ago. He paid \$35 for it. He told me he had worn that suit of clothes for 24 hours since it had been thoroughly pressed, and it was hanging on his back at that time, his pants were as slouchy as anything that you would wear for a week or 10 days. It looked to me as though he got thoroughly trimmed.

Mr. WINSLOW. Yes, but who trimmed him?

Mr. MOODY. Well, that is a question as to who did. They were attractive looking goods, but they would not hold their character.

Mr. WINSLOW. Do you assume that if somebody had described the cloth to him he would not have bought it?

Mr. MOODY. I assume if they had described it to him he would not have bought it; that is, if it had been described honestly.

Mr. WINSLOW. That is an assumption.

Mr. MOODY. That is an assumption, of course. I did not ask him.

STATEMENT OF MR. J. F. WALKER, GAMBIER, OHIO.

Mr. WALKER. I am president of the Fleece Wool States Association, an organization representing over 100,000 wool growers through the districts east of the Mississippi River. We have an organization covering some 15 States.

Mr. BARKLEY. I just wanted to get the information whether you are related to the Mr. Walker who was president of the Strong-Hewat Co.?

Mr. WALKER. Not any relation. I never heard of the gentleman until recently.

I am here as a reversion to type. My people were woolen manufacturers generations ago in England, manufacturers of wool cloth. I am here as a manufacturer of wool itself. I will argue the question with any one as to whether we have degenerated morally or mentally, but from the standpoint of finances I am very willing to admit that our last stage is much worse than our first.

The history of the wool industry of the United States for the past 50 years has been one of varying degrees of prosperity and adversity. At times when wool could be produced at a profit the industry rapidly expanded until it could take care of the demand imposed upon it. Then when prices fell below cost of production, or when other lines of agriculture offered greater returns, production steadily

decreased. For the past 15 years no material advance has been made in wool production, not only in the United States, but throughout the entire world. Consumption has steadily increased, due to natural causes, such as increased population and wider use of woolen fabrics. Various reasons have been advanced for decreased wool production, dogs, tariff, predatory animals, etc., all being advanced as contributory causes. That these have had a certain influence no one familiar with the business will deny, yet the greatest obstacle that has stood in the path of the producer has been that of the unfair competition to which he has constantly been subjected, the second-hand product of his labor, call it shoddy, reworked wools, or what you will.

By unfair competition we mean that competition which has not stood on its merits as a substitute, but has been so altered by trade names or misleading advertisements that the consumer thinks he is buying the real article. That this has been done in the case of woolen fabrics, no one dare deny. Even those opposed to the enactment of a measure providing that wool shall be branded as to whether they are new or reworked, or combination of the two, or an admixture of other fabrics. In stating that there is a prejudice against shoddy wools and that the consuming public would not buy them knowingly, permit me to submit for your inspection the following advertisement taken from the issue of January 29, 1920, of the Daily News Record, a paper devoted to the manufacturing trade:

Woolen Manufacturers — Fine Wool and Noils are scarce and high — use "NEWOOL"—Fine Quality—New Rare Shades—The finest and best reworked wools—Manufactured by WINCHESTER WOOLEN CO., Norwich, Conn.—"YOU CAN WIN WITH WINCHESTER"—"NEWOOL"—Can be seen in Boston—ANTHONY & CO., Room 6, 246 Summer Street, Boston, Mass.—Winchester Woolen Co.—Complete line—service direct; telephone, Main 3610.

We are submitting that that is a fraudulent use of shoddy so far as the public is concerned. By "fraudulent" we mean the public is deceived by what it is buying.

Again permit me to offer for your inspection this sample of cloth purchased in Youngstown, Ohio, some three weeks ago by a lady whose husband sold his clip of wool consisting largely of three-eighths blood at 60 cents per pound in the grease, or \$1.16 per pound cleaned. The lady asked to see some woolen cloth and the bolt from which this sample was taken was thrown on the counter along with other goods and purchased under the impression that it was woolen cloth at the rate of \$2.50 per pound and does not contain a particle of wool.

Mr. WINSLOW. Where did that happen?

Mr. WALKER. That happened in Youngstown. Mrs. X. A. Cover of Berlin Center, Ohio, purchased the cloth under the supposition that she was buying all wool cloth. It does not contain, gentlemen, one particle of wool.

True, had the lady known how to detect cotton she could have discovered the nature of the cloth, but she did not and was buying on her judgment of "durability, warmth and suitable fabric," as has been expressed by Mrs. Pittman, of the Home Economics Association. The fact remains, however, that she was not only deprived of value but also received a different fabric than the one she supposed she was purchasing.

Going back to the question of the prejudice against reworked wools, there certainly must be some grounds for such an attitude on the part of the consumer and the word "prejudice," as defined by Mr. Clark, of the Boston Wool Manufacturers' Association, hardly applies. Might it not be possible that in the minds of the Bar lingers a recollection of those cloths he once could secure that had life and wearing quality, and which he knew were virgin wools because they were manufactured at home and the fabrics that entered into their construction came from his own flock? Modern machinery will spin a more even thread, will lay the fibers out more smoothly, so it can not be attributed to that; modern looms surely do not injure the thread more than the old hand ones, so the only answer is superior fabric or in other words, virgin wool.

Again permit me to offer the following letter which came to our office entirely unsolicited:

JANUARY 12, 1920.

Dear Sir.—As a proof of the wonderful wearing qualities of wool I tell you that, Eliza Bradrick as preparation for housekeeping, some seventy-odd years ago, took home-grown wool and spun it and wove it into bed blankets which have been used every winter since, most of the time every night of the winter and still promises much future usefulness. At the same time she spun home-grown flax and wool and wove them into a carpet, part of which is in use to-day after more than 70 years of constant use.

Very truly,

(Signed) G. C. ILES,
Fredericktown, Ohio.

Mr. WINSLOW. To whom was that addressed?

Mr. WALKER. It came to our office. It was addressed to me. It was sent in as a testimonial regarding what good wool is worth as compared with wools we can procure on the market to-day.

As another illustration I may cite the fact—I intended to bring some of these things along with me but I was so hastily called away that I did not get to bring some of the things that I had intended to bring—that in the first year of the Cleveland Administration my father took fine delaine wool to a mill at Clark, Ohio, where it was mixed with an equal quantity of Shropshire—Shropshire wool is some of the low grade wool that you have been taking about—or three-eighths and quarter blood wool commercially speaking, and made into blankets. Those blankets have been in constant service since that time, except in extreme warm weather, and to-day show no appreciable wear. A coverlid dated 1832 and made by one of the ancestors of my wife has been in active service in our home for fourteen years as a couch cover, being used every day and was in constant use prior to that time. It looks better to-day than a coverlid of similar weight purchased six years ago as an all-wool product and used for similar purposes. The only difference being in the quality of material in the construction of the article. These and thousands of similar instances which might be mentioned lend support to the statement that the public has a right to be prejudiced against fabrics filled with wool reworked not only once, but many times, especially so when they are paying virgin wool prices for it, and leads one to the conclusion that if manufacturers would not re-work their wool so much and the unscrupulous retailer would be prevented from working the public at all, the consumer would be much benefited thereby.

The statement has been made that the passage of the French bill would encourage production. This is true. Is it not extremely advisable to increase our wool production? To-day we are producing around 300,000,000 pounds of grease wool, or 150,000,000 pounds of clean wool, less than $1\frac{1}{2}$ pound per capita per year. Speaking not only as a wool producer, but "as an American citizen" as has been remarked, is it advisable for this nation to continue to keep herself in the position she was in at the outbreak of the great World War, when she was placed in the extremely embarrassing and humiliating position of begging for wool of any grade in every market of the world open to her, with only half enough wool to supply her civilian population, and nothing for her vast Army requirements. Suppose the conflict had been with a country that could blockade our ports, and no one can foresee the future well enough to tell what may transpire; America would have gone on a "paper pants" basis much sooner than did Germany. Our main source of supply for high-grade wool is Australia. Already that country has an organization composed of practically all the growers, brokers, and dealers and known as the National Wool Council, whose avowed purpose according to its chairman, Mr. John Drummond, is to control the output of that country and dictate the price of wool to the world. The inference that domestic wools are not of as high quality as the Australian sample submitted for your inspection is unfounded. High-grade American wools to-day are worth as much clean, if not even more, than the best Australian, Ohio Delaine being quoted on to-day's market at \$1 per pound in the grease or \$2.50 clean, as against \$2.45 in the sample submitted for your consideration. True, this does not represent the large bulk of American wool, but there is no question but that the American wools are fully as valuable, grade for grade, as are Australian wools on a clean basis.

I want to say this, gentlemen, that the difference between the Australian wool and the American wool is not the character of the wool so much as the fact that the American wool carries a heavier shrinkage. They are worth less in the grease because there is more comes out of it, but on a clean basis they are worth just as much. We are raising good wool in this country and we can and are producing it.

America to-day is producing a surplus of all sorts of grain, meats, dairy products and everything connected with agriculture except wool. Viewed in the light of our absolute dependence on other countries for this vital article in times of peace and doubly vital in times of war, might it not be well to be "American citizens" long enough to study the advisability of increasing this product to meet our needs? This can be done. The West may have reached her maximum number. I do not know about that. Gentlemen are here representing that country that can speak more advisably than I; but I do know that production in the East can be more than quadrupled and will be if growers think the business can be stabilized.

Now the question comes up, What do you mean by stabilizing the wool business? We mean simply this, gentlemen. Those of you who observe those prices will notice that the prices of wool do not keep pace with other farm products. One year the price of wool is up and the next year down, jumping up and down all the time. There are constant variations of the wool market and we believe that the

large majority of manipulations of the wool market are done because there is so much shoddy that they can force down the price of wool and thereby force the wool men out of business.

I think that is what keeps the price going up and down. If we knew with a degree of certainty that there was a place that we could put our product, and people would know what it is, we are satisfied that the people would buy it and pay a price so our price level could run along to correspond with other price levels throughout the country. There already has been this year a 14 per cent decrease in the price of wool as compared with last year. So you see our wool prices have been decreasing along with other farm products, but the prices for clothing have not decreased one iota.

The South is looking to a decrease production of cotton, due to boll weevil, labor, etc. Not a day passes but what inquiries come into our office from that region concerning the way to raise sheep and the breeds adapted to that section. Ohio carrying 2,000,000 sheep, has carried over 7,000,000, and will do it again if men see a profit in the business. Other States will do the same, and in restoring sheep to the East, fertility will also be restored to lands now becoming barren and waste.

Do virgin wools suffer from competition with shoddy? If the statement of the manufacturers in the issue of February 18, 1920, Daily News Record—this is the organ of the manufacturers, not our organ—that 11½ per cent of the fabrics of the country are shoddy, then the quantity is negligible, and there is no reason why men should be so interested in preserving that small amount of shoddy.

That statement was amended in the hearing before your committee to 20 per cent. Let us look into their own argument against the "Truth in fabrics bill." In their brief, page 6, the statement is made that 2,800,000,000 pounds of new wool are produced annually for the 800,000,000 people of the temperate zone, or 3½ pounds per capita, and further remarks that this would scarcely supply a pair of knee breeches to those desiring wool clothing. Assuming that America received her quota of these wools, it would mean, on average, shrink of 50 per cent, 1½ pounds of clean wool per year per capita, or 192,000,000 pounds of clean wool for the Nation. This, divided into yardage, as given before your committee, of 620,000,000 yards of woollen cloth last year, mean, if these fabrics were made of virgin wool, a weight of less than 5 ounces to the yard. There might be difficulty in finding enough cloth to place a brand on such a fabric, though Belden's silk and Skinner's satins have done this for years as a protection of their goods, with incidentally no complaint from the consuming public as to added cost. Let us put in 50 per cent shoddy and we still have fabrics under 10-ounce weight, a very light summer weight piece of goods. Consider winter weights, overcoatings, running 24 ounces and up, suitings 16 to 20 ounces per yard, mackinaws up to 36 ounces per yard, and where does the rest come in? For remember we have not allowed anything for other woollen fabrics. We used to figure 24 ounces on a winter suit. Now we figure 20 ounces.

Possibly the argument may be advanced that we use more than our proportion of new wools. Let us see. December 31, 1917, new

wool stocks were reported on hand as around 4,500,000 pounds. That is, wool stocks or grease wool.

Our importations in 1918 were very limited. Our production of domestic wool was not quite three hundred million pounds, yet December 31, 1918, showed wool stocks on hand of about six hundred million pounds.

You gentlemen are familiar with the proposition or know that during the war we succeeded in importing very small quantities of wool as compared with our normal importations. I think the figures show that for 1919, the last 10 months of 1919, and the first two months of 1920, its importations from all sources were 457,000,000 pounds of wool from other countries. Now, that is more than double the importations of the preceding year, and in this stock of wool, nearly 600,000,000 pounds would have to be included stuffs imported this year, because they were figured as wool stocks on hand and owned by the United States. A domestic production of 300,000,000 pounds, from which sources 620,000,000 yards of cloth, to say nothing of woollen fabrics not manufactured into cloth, were made, and December 31, 1919, shows a stock of 640,000,000 pounds of wool on hand. This the grower is told is one of the greatest amounts ever held over in the history of our country, and must mean a much lower price to him for his 1920 clip of wool. We are informed on the one hand that wool stocks accumulated during the war are enormous and can not be liquidated under two years' time. I am referring to virgin wool stock. On the other hand your committee is informed that virgin wool stocks are not nearly adequate to meet the demand for cloth production. One of two things is very apparent, either stocks are not correctly reported, or shoddy enters more largely into the manufacture of wool cloth than the report discloses, either of which is misleading and can only work to the disadvantage of the consumer as well as the producer.

Mr. BARKLEY. Who is holding that?

Mr. WALKER. Do not ask me. I am quoting from Government reports of wool stocks. These reports are available at the Bureau of Markets. These quotations are taken from them. I do not think anyone will question their accuracy.

Mr. BARKLEY. It would be interesting to know who was holding it.

Mr. WALKER. The Government owns very little, and such quantities as it holds are of very low-grade wools. By way of parenthesis, touching a question raised by Judge Sims, I may say that wool in the United States is not being produced at the present time under the benefits of a tariff.

Mr. SIMS. I thought maybe the manufacturers would have lower prices if they could get cheaper wools. The question of relative merit of virgin wools as compared with shoddy wools has been raised and samples submitted for your consideration. It is indeed a poor manufacturer that can not fabricate a piece of cloth to prove his argument, and it was admitted that there was "no such animal" turned loose to prey upon the purchasing public, as some of their samples, and that they were not taken from cloths held in stock, but only manufactured to show what could be done. As well let an oleomargarine manufacturer submit samples of butter hoary with age, but still going strong, to show what might be palmed off on an unsuspecting public as the "Simon pure product of the cow."

Mr. WINSLOW. Does that statement of yours suggest a lack of good faith on the part of some of the witnesses?

Mr. WALKER. I am simply emphasizing the statement that the samples of cloth were not taken from cloths in market use but were manufactured for the object of showing what could be done. I say that that is an unfair exhibit in this way because it is not wools that are manufactured.

Mr. WINSLOW. They admit that.

Mr. WALKER. I am simply calling attention to it.

Mr. WINSLOW. It was for the purpose of conveying to the minds of the committee that there has been some bad faith practiced on us by the witnesses.

Mr. WALKER. I am not saying that; but I want you gentlemen to remember that.

The CHAIRMAN. I do not gather that all of these samples were made for the purpose of exhibits, but one or two were admitted to be.

Mr. WALKER. I said some of the samples were made. I am not saying that all of them were made for this purpose; but there were some samples made for this purpose.

Mr. BARKLEY. It is interesting to this committee to know whether or not those samples were used for fabric purposes or just brought for exhibits.

Mr. WALKER. That is the point I am bringing up.

Mr. MERRITT. The witness has stated that.

Mr. SIMS. I asked the question if they were the kinds of samples used in trade and they said all but two of them were samples used in the trade, but two of them were illustrations of what could be done. I am not sure that I am correct about the number.

Mr. WHITMAN. I made the statement that the samples we submitted were taken from the current goods made now, out of current stock.

Mr. CLARK. I will state that of the samples that I submitted, some were made to show, as I said at the time, what could be done under the bill if it were passed, and some were goods that were taken out of regular fabrics.

Mr. WALKER. That is exactly the point I raised.

Mr. CLARK. I think it was a very reasonable thing for us to do to show what could be accomplished if the bill were to pass.

The CHAIRMAN. Proceed.

Mr. CLARK. Neither did these gentlemen seem to know what percentages of virgin wool fell into this inferior class. They estimated however, that about 100,000,000 pounds fell into the fine wool class and the remaining two-thirds of the domestic wool clip was something else, leaving the impression that these wools were of inferior quality, while the facts are that one-half, three-eighths, and one-fourth blood wool comprising the great bulk of this two-thirds of our production is just as serviceable as fine wool, makes beautiful fabrics, but not quite so fine in quality. Army cloth was made largely of three-eighths blood wool, and no fine wools at all were used for military requirements unless possibly in officer's uniforms. The class of wool that was offered in evidence of the lower grade of some virgin wools is a very minor quantity, not to exceed 5 per cent of the wool production, and certainly not as great a menace to the purchasing public as the vast quantity of reworked wool or shoddies constantly being offered to it. If, however, these wools are used for clothing purposes

they certainly would make a much better fabric when used the first time than when they later appear as shoddies, even unto the tenth generation. Neither was your committee informed as to the percentages of shoddy available as compared with the entire output of shoddies from which the fabrics submitted for your inspection were made. Had these percentages been large, it is only reasonable to assume that mention of the fact would have been made. It certainly appears as though a very short tail of good shoddy and poor wool was attempting to wag the large dog of poor shoddy and good wool.

Mr. JONES. Do you state as a fact, if you know whether it is a fact or not, that there are some fabrics that are made of shoddy that are more durable than fabrics made of virgin wool?

Mr. WALKER. I expect that that could be done by using these very short low-grade virgin wools, but I think that was brought out yesterday on the part of the gentleman that appeared here on behalf of the Mill Association of New York that that particular wool was used for felting purposes.

I want to answer that question you have brought up as to whether a piece of cloth manufactured from good shoddy is better than a piece of cloth from inferior wool, virgin wool, and whether or not the public could detect it. If a piece of cloth is manufactured from virgin wool, the character of this wool here [indicating]—this is wool as it comes from the sheep's back, what we would call a fine wool. I presume that you would find very little shoddy in worsteds because worsteds are manufactured from virgin wool. If you buy a piece of virgin-wool cloth of that character you are buying possibly the best wearing clothing that you can get, combining wear and style. But you could take a piece of cloth made from this quarter-blood wool and it would wear you real well, and it would have a fine finish. Anybody could pick whether it was made of fine or coarse wool. Here is a piece made from long coarse wool. It does not require an expert to determine that. I believe you are not experts on linen, but if somebody offered you a huck towel for a handkerchief you could tell the difference. The average person could tell gingham from low-grade muslin. I think that has been overdwelt on, because the purchaser would buy the fabric that he wanted in the nature of finish. If he bought the same finish fabric in virgin wool or shoddy wool he would get better wear from the virgin wool. He would have two fabrics. You take virgin wool and put shoddy in it and the goods may give good service. If the customer gets the percentage of shoddy it is a question of protecting the customer.

The inference has been made that the enactment of an act providing that the presence of cotton in wool fabrics be made known to the purchaser would depress cotton prices, though through the honesty of the trade the consuming public already knows of the presence of cotton in the cloth it buys. I am free to admit that I do not follow this argument.

Mr. CLARK. I did not make that statement, if you will pardon me. I said that in regard to fabrics with cotton in them. Not in regard to cotton itself, but as to the depreciation in the price of goods.

Mr. WALKER. I think the question was brought out by the gentleman if that would not tend to depreciate the price of cotton.

Mr. SIMS. But if you reduce the amount of cotton in the fabric would it reduce the price of cotton? I asked the question.

Mr. WALKER. Do you recall the answer?

Mr. SIMS. You reduce the amount of cotton; then, would that not also reduce the price of cotton to the extent that the consumption ceased, and my recollection was that it was assented to, and I do not remember who it was. Of course it would be so small compared with the whole cotton crop that I do not think it would cut much figure.

Mr. WALKER. There is a place where shoddy, masquerading as all wool, does actually come in competition with cotton and to the detriment of the latter. I refer to wool mattresses. In December of 1919 members of our association were in a shoddy mill—if you want I can give the name of the mill. I did not know whether it was necessary to bring that up at this time, but we can give it to you—and discovered a quantity of shoddy so short in staple that it could not be held long enough to spin. This, the manager of the plant informed us, was sold at 3 cents per pound to be manufactured into wool mattresses. I later priced one of these all-wool mattresses, weighing 40 pounds, price \$40. The price, as I was gravely informed, by the honest retailer, was due to the extreme high price of wool. No person seeing the contents of this mattress would have purchased it, but would instead have purchased a good cotton mattress securing much greater service and a vastly more sanitary product.

Does virgin wool fabric cost the consumer more? That depends on your definition of cost. The initial cost may be greater, though frequently it is not, as cloths are sold on appearance as much as service, and virgin wool fabrics are often sold as cheap as some of those part shoddy. However the real measure value can only be determined by service. Again permit me to quote from the Daily News Record, January 28, 1920, the trade paper of the manufacturer, in which a statement was made that 90 per cent of the value in a suit of clothes was in the cloth, meaning in the substantial value, such as the wear; and later the total cost of the cloth is only a fraction of the retail price of the suit.

I do not believe anyone would question the statement that less than 10 per cent of the retail price of a suit of clothes goes to the grower of the wool. If over 90 per cent goes into manufacturing and distribution charges it is of prime importance that the fabric be made of the most serviceable material possible from an economic standpoint. No one would buy an automobile composed of scrap iron and tin with lead bearings, even though it were brilliantly painted, because he would get no service therefrom, even though its initial cost might be much less than that of a serviceable machine. The initial cost of the fabric in a suit of clothes is so small that any one is justified in the extra expense incidental to the purchase of good cloth. With wool at \$1 per pound to the grower, a suit of clothes of average weight should not cost a purchaser to exceed seven dollars more than a suit equally as well tailored composed of material obtained for nothing. Three and one-half yards of 16 ounce cloth means seven pounds of grease wool on an average strength of 50 per cent.

Now, gentlemen, I did not take the fine wool the shrinkage of which is around 60 per cent. Neither did I take the quarter blood wool, with an average shrinkage of 42 per cent. I struck an average of the entire wool. I think the estimate is fair on a 50 per cent basis. One dollar wool to the grower will mean production that in a very few years will take care of all our requirements. As a matter of fact,

however, the wool clip of 1919 was purchased around 50 cents per pound to the grower for good wools, the \$1 price quoted in the Boston market to-day, being the price the dealer is asking and not the price the grower receives, so the legitimate increase of virgin wool of good quality over worthless junk at present valuation to the grower could only be approximately \$3.50 per suit, and if the enactment of this measure reduces the price of shoddy goods as has been intimated, and can not legitimately increase the price of virgin wool more than I have stated, what is the legitimate objection to its passage.

A sentiment has been expressed in favor of a misbranding act making it a felony to misbrand a product. Do not our laws generally protect the purchaser that buys goods under fraudulent representation? We are in favor of such legislation. The weak point in such a measure is that while it prevents misbranding it does not compel any branding at all. While it is intended to prevent a misstatement it does not compel a statement to be made and merely emphasizes the old English law of "let the buyer beware." Truly a case where, "silence is golden." Again, if the statements constantly reiterated before your committee that there is absolutely no way of discovering the presence of shoddy in a fabric after leaving the factory, either by chemical or other tests be true, then what is to prevent the dishonest man that is to be found in all business, as Mr. Cheney testified, from selling all shoddy cloths not as all wool, but as all new wool, especially so if manufactured from the shoddies referred to in the advertisement offered for your inspection? How could he be detected and punished under a misbranding Act, even though it is admitted that shoddies are inferior to virgin wool of similar character to that from which it was originally fabricated.

The question of expenses connected with the enforcement of the French bill has been compared with that of meat inspection. Suppose it does cost that much? Do you hear any complaints on the cost of Federal inspection of meats, of inspection of feedstuffs or fertilizers, of analysis of foods and drugs? Also the matter of the cost of branding that is to be handed on to the consumer? Admit it. It is about the first time that I have heard such economical solicitude toward the consumer, of which I happen to be one, but personally I am willing to bear the fraction of a cent per yard inspection will cost, plus the possible additional cent and a fraction branding may cost, if by so doing I may buy intelligently. If I discover shoddy wears better than virgin-wool fabrics then I can buy shoddy without having it adulterated with virgin wool. If virgin wool be the best product, I can get it without adulteration of shoddy. And so can every person that can read, and we will know the nature of the fabric we are securing. If shoddy is superior to virgin wool, people will know about it. And the mystery is that so many present manufacturers have not discovered this fact and advertised it on its merits instead of letting it conceal itself behind the inferior substitute, "virgin wool."

No, gentlemen; no second-hand goods are as good as the same article new; no reworked wool is of equal merit as the same grade of wool in its virgin state, and the public has a right to know the thing for which it is spending its money, and should be protected accordingly. The law that prevents a man from selling a second-hand suit of clothes as a new garment should prevent that man from tearing up that suit and reworking it and then selling it as a new product. If wool cloths

are branded as to materials entering therein, the public can test the relative merits of the various cloths intelligently and purchased according to its needs.

The absolute truth does not and can not injure a business conducted in a legitimate way and the consumer is entitled to know the truth.

The question has been raised about this branding act. Dr. Tamino, who is the representative of the Japanese Government here in live-stock raising, made the statement that Japan was contemplating a branding act, contemplating the labeling of shoddy cotton and other cloth entering into the manufacture of their goods.

I have no copy of that law. I am merely giving you a statement of it.

(Thereupon at 4.45 o'clock p. m. the committee adjourned until to-morrow, Saturday, March 27th, at 10.30 o'clock a. m.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Saturday, March 27, 1920.

The committee on this day met, Mr. John J. Esch (chairman), presiding.

The CHAIRMAN. The committee will come to order. Mr. Walker was to return this morning for cross-examination, but I understand that he is to be here next week anyway. There are two or three witnesses here from quite a distance who are very anxious to get away on the afternoon train, and we will hear them this morning. Mr. French, will you put them on in their order?

Mr. FRENCH. Yes. We will call Mr. Hadsell first.

STATEMENT OF MR. KLEBER H. HADSELL.

The CHAIRMAN. Give your name, address, and whom you represent.

Mr. HADSELL. Kleber H. Hadsell, Rawlins, Wyo.; wool grower and a member of the Wyoming Wool Growers' Association. I am here representing them. Mr. Chairman and gentlemen of the committee, it has been shown here at these hearings that our wool production is on the wane, and at present, according to the testimony given here, our country is not near self-supporting in the production of wool. In time of peace this condition is bad. In time of war it might be disastrous. And who can say when, in the present unsettled state of world affairs, war might come?

Vast sums of money are being spent for the Army and Navy so that we will be ready if war should come again. In the event that war should come, there is the possibility that we might be blockaded, and in that case we should certainly be stronger if we could supply ourselves from within. It takes wool to clothe armies. Shoddy would help, but without a good substantial supply of wool behind it to replenish the stock it would dwindle and we might find ourselves resorting to paper clothes, as has been the case with Germany. It would seem that Congress, spending so much money for defense,

would not neglect to look after our Nation's wool supply. Now, I want to give you a little of my own experience on the range to show you that ours is a hazardous business. I think in Washington there are many who do not understand how hazardous it really is. In 1901 I took charge of 12,000 sheep, and they were almost free from debt. Last October our company, the Hadsell Live Stock Co., owned about 9,000 sheep. Our aim has been to build up a larger outfit, but losses and sales, the latter no greater than in an average outfit, has kept the count down. About the last of January I counted them, and we were out at that time about 500 head of sheep. Three hundred of them were lost in the early storms of the winter. We had three bunches of less than 3,000 each, and for six weeks one bunch was just swept back and forth across the country. I do not know whether you understand about that, but we have winds and storms out there, we haven't farms that we put the sheep on, but we are on the open range a good deal, and if these sheep get away with a northeast wind—that is our prevailing wind for storms—they drift until they find shelter somewhere.

The CHAIRMAN. Get away from where?

Mr. HADSELL. Get away from the herder or with the herder with them. The herder has his habitation in a sheep wagon, and these men with their bunches of sheep go from place to place, wherever the feed is best, and the camp wagon is moved to that place.

Mr. COOPER. The ninety-and-nine do not give you so much trouble, but it is the one that goes astray?

Mr. HADSELL. It is the one that goes astray, yes sir; when the whole bunch gets away we can generally get the bulk of them.

Mr. COOPER. I understand, there is no doubt about that, but if a little bunch gets away that is lost.

Mr. HADSELL. Since 1901 I have been actively engaged on the range and in one three-year period the outfit doubled in value. Sometimes we have had good years.

Mr. MONTAGUE. What year was that?

Mr. HADSELL. I can not tell you; it is a good many years ago. I am not trying to be accurate in this, but it was five or six years after I started in business—after 1901.

Mr. MONTAGUE. Was that due to prices, or increase in prices?

Mr. HADSELL. Well, the prices went up and down, but that was due to prices and to a minimum of bad weather and storms—in other words, to small losses.

Mr. MONTAGUE. Is your business altogether wool, or wool and mutton both?

Mr. HADSELL. Wool and mutton.

Mr. MONTAGUE. Do you sell lambs, too?

Mr. HADSELL. Yes. I have seen good years, of course, and bad. In 1916 our outfit would have doubled in value had it not been for a terrible winter, but our preparation for that winter proved inadequate. We went into that winter with 14,000 sheep and came out with 7,000 and a heavy debt for feed, but the war prices saved us from going broke. Our wool-growing neighbors in our part of Wyoming were all in about the same boat. We all fed heavily that winter until the Union Pacific got snowed in and our sheep died of starvation because we could no longer obtain feed at any price. In May of that year we had another terrible storm, and in that storm

alone we lost more ewes than we gained in lambs that spring. I would like to make this point clear—when a sheep outfit loses 50 per cent from starvation and cold the other 50 per cent is mighty nearly gone too, and after it is all over you are glad that you lost only one-half. Ours is indeed a very hazardous business and many times in the past 20 years I have seen our outfit where a few more weeks of storms would have wiped it out. I have known of sheep outfits coming in in the spring with only their horses and wagons, meaning that their sheep were dead. If we sustain only light losses the sheep-raising business is a wonderful industry. On paper it is a bonanza, but losses cut into the profits and often leave us away to the bad for the year's business, and this should be taken into consideration by those who fix our wool prices. Most wool-growers, I believe, think that the prices are fixed. They certainly are not fixed by the grower. We know that supply and demand has had very little to do with wool prices, because the healthy demand for wool is filled with shoddy. The woolgrower lives by sufferance the same as the goose that laid the golden egg. Our business is little understood in Washington, I believe. We need the protection of just laws. Under just laws we will produce wool.

I will say right now, gentlemen, that the West can support far more sheep, and as time goes on and more food is produced more sheep can be raised, and with better sheep and feed more and better wool can be produced. I think that the French bill, if it becomes a law, will be of great benefit to the woolgrower. I also think that it will be a great benefit to the consumer, for the stamp will tell him the contents of the goods and protect him from being charged virgin wool prices for shoddy. That will of course be a positive gain for the consumer. The law would in nowise affect his ability to pick and choose, to test and feel the cloth, and if it saved him \$2 or more on every suit of shoddy clothes it would be a wonderful bill. That is all the statement I wish to make. Are there any questions that any of you gentlemen would like to ask?

Mr. WINSLOW. Have you at any time been able to sell all the wool you could produce?

Mr. HADSELL. Well, this last year we have, I think, about 30 bales in Boston unsold. It is the coarse end of our clip and we are borrowing money right now. We would like to have it sold; but generally we can sell all the wool.

Mr. WINSLOW. Speaking generally of the wool industry, does the product as a rule find a quick market?

Mr. HADSELL. A quick market?

Mr. WINSLOW. A reasonably quick market?

Mr. HADSELL. Well, sometimes we have to wait quite a while. We consign our wool sometimes, and sometimes we wait quite a long time.

Mr. WINSLOW. Is that due to dullness of the business?

Mr. HADSELL. I can not tell you what it is due to. I just know that it is slow sometimes. Sometimes we get our money at once, or almost at once.

Mr. WINSLOW. Does the wool business have any more ups and downs in respect to selling products than any other commercial business?

Mr. HADSELL. I am not competent to judge.

Mr. WINSLOW. The only purpose of my questioning you is to get all the information I can, you understand.

Mr. HADSELL. Yes, sir, I would be glad to give you all the information I can. I am not an expert in this—the business end of it; I do not know as much about that as I do about the range end of it.

Mr. WINSLOW. How do you feel that through legislation a definite level of prices can be maintained for wool more than for any other commodity?

Mr. HADSELL. I would like to have the price of our product regulated by the supply and demand; and if they are going to fill the demand for our product with shoddy, the law of supply and demand will not work.

Mr. WINSLOW. Yes, but why couple it with shoddy, if you can always sell all the wool you can produce?

Mr. HADSELL. Well, we can sell it for a better price, if it does not have to compete with shoddy called all wool.

Mr. WINSLOW. That is what you are interested in?

Mr. HADSELL. Yes, sir; that is what we are interested in—the price.

Mr. WINSLOW. The law of supply and demand is not affected necessarily by the level of the price. It may be that the level of the price may be raised or lowered by virtue of the law of supply and demand, but if you can always sell all the wool you can produce, then it would be about as normal as you could hope to have it.

Mr. HADSELL. With shoddy being used in place of virgin wool, when the demand is for virgin wool—most people do not know about shoddy—it is bound to affect the demand for virgin wool.

Mr. WINSLOW. I fear we do not understand each other. I can not for the life of me understand why you complain of the ill effects through the law of supply and demand if there is a market for all the wool that the country can raise.

Mr. HADSELL. I do know this: There might be a market for all of the wool the country would produce and it might be a high market or a low market, depending on the strength or weakness of the demand, unless this demand was supplied by another commodity such as shoddy, in which case the price of wool would have a tendency to meet the price of shoddy. Shoddy being relatively cheaper and of less quality, grade for grade, than wool, and as the general public can not detect shoddy, it should not be in competition with virgin wool as wool but as shoddy or as whatever you may call it that is honest and not confusing.

Mr. WINSLOW. That is another matter, and in a measure could be covered by legislation if a tariff were put on imported wool to protect you on some level, but I did not mean to draw my Democratic colleagues into a controversy on that tariff question, or we will never get through with these hearings.

Mr. HADSELL. Well, I have not said anything about tariff.

Mr. WINSLOW. But I do not think that the law of supply and demand is going to regulate the price of wool.

Mr. HADSELL. I do not think it does, but it should.

Mr. WINSLOW. Well, I do not seem to be able to get very far with you. I would like to sympathize with you if I can, but you are asking for legislation and bringing in the law of supply and demand as one of the considerations, and yet you agree that you can sell all the wool that the country can raise all the time.

Mr. HADSELL. I think we can at a price. I think that anything can be sold any time at a price. It might be zero minus.

Mr. WINSLOW. If the country can sell all the wool it can raise, wherein does shoddy come into the question?

Mr. HADSELL. Shoddy masquerades as virgin wool, supplies the demand for wool, and lowers the price of wool, and does not give the service that wool gives.

Mr. WINSLOW. There might be something in that, but I do not see how you can complain of the law of supply and demand when you can always sell all you can get under the conditions.

Mr. HADSELL. We have not sold all we raised last year yet.

Mr. WINSLOW. Do you happen to remember any year when the wool growers of the country have had to carry over the wool?

Mr. HADSELL. Oh, there have been several years.

Mr. WINSLOW. Recently when have they had to carry over wool?

Mr. HADSELL. Last year. Members of the National Wool Warehouse have had to do it several times, have they not, Doctor?

Dr. WILSON. Yes.

Mr. COOPER. Is there anyone here who will testify on that question?

Mr. WINSLOW. Just one more question. The Agricultural Department reports that in 1919 there was an increase in fleeces, both in the greased and in the scoured condition. That is countrywide, of course?

Mr. HADSELL. Yes.

Mr. WINSLOW. So, it would look as if we had not fallen down in pounds of wool in either of those conditions. In Wyoming in 1918 there was an increase of 32,000 sheep.

Mr. HADSELL. An increase of 32,000 sheep in Wyoming in 1918?

Mr. WINSLOW. Yes.

Mr. HADSELL. That might happen at any time. Thirty-two thousand is one not overly large sheep outfit. Now, the sheep in Wyoming are hundreds of thousands short of 1918 figures.

Mr. WINSLOW. No, I do not think it amounts to anything, except as a contradistinction in the falling off of sheep.

Mr. HADSELL. Yes.

Mr. WINSLOW. Now, if you can sell all the wool you can produce or raise, it would look as if it would be well to breed more sheep under the present conditions, would it not?

Mr. HADSELL. We feel that the price is pretty well controlled. It is uncertain. We do not know what the price might be for this spring, or any spring.

Mr. WINSLOW. Well, is not that true with all kinds of products of that kind? For instance, oranges are shipped from Florida and California; and from the West Indies and the Bahamas grape fruit the same way into the United States market, subject to whatever the brokers can get for them, and that is true of many of the products of oil. Cotton I understand ordinarily is pretty much the same way. The price ultimately comes through the broker and not through the raiser. And wool seems to be about the same.

Mr. HADSELL. Well, only that I would say that I do not like it.

Mr. MONTAGUE. You say the price of wool is fixed? I understood you to use the term that "the price of wool"—and I do not know whether you used the word "fixed" or not.

Mr. HADSELL. Yes, sir, I used the word "fixed."

Mr. MONTAGUE. What do you mean by that?

Mr. HADSELL. You might say that the prices ought to be regulated by the supply and demand. That is the ideal way.

Mr. MONTAGUE. Well, what regulates the price of wool if it is not the supply and demand?

Mr. HADSELL. Well, I don't think it is the law of supply and demand. I do not need to be definite as to where the price is fixed. I said, or intended to say, that it was the opinion of a good many western wool men that the price was fixed.

Mr. MONTAGUE. Fixed by whom?

Mr. HADSELL. I did not say by whom.

Mr. MONTAGUE. That is what I am asking you.

Mr. HADSELL. The fellow that quotes the price is the wool buyer, the wool-buying houses, and commission houses.

Mr. MONTAGUE. Do you think that they fix the price?

Mr. HADSELL. I do not know whether the price is fixed by them, but it does not seem to be regulated by the supply and demand.

Mr. MONTAGUE. I just wish your best information about that.

Mr. PARKER. When they come around to buy they say what they will give you.

Mr. HADSELL. That is it.

Mr. PARKER. You do not have much to say what you will take for it, do you?

Mr. HADSELL. We have not yet.

Mr. PARKER. That is what you mean by being "fixed?"

Mr. HADSELL. Yes. Sometimes we hold off and do not sell it to the buyers that come out there, and we consign our wool to some houses that take wool on consignment. Sometimes we are a little better off with that transaction, and sometimes we are not.

Mr. MONTAGUE. You spoke of the range for your sheep. By "range" you mean a certain quantity of a boundary of land, do you not?

Mr. HADSELL. No, there are practically no boundaries to it. When I first started in the sheep business out there we went over the open range. There were men with sheep in Utah that came clear down to central Wyoming.

Mr. MONTAGUE. Who owns this land?

Mr. HADSELL. Most of it is Government land. In our country we are right along the Union Pacific Railroad. On each side of that for 20 miles the land (every alternate section) belongs to the railroad company or to those who have purchased it from the railroad company.

Mr. MONTAGUE. Do you pay rent for the land?

Mr. HADSELL. We pay no rent for the Government land, except a fee for grazing in forest reserves. The Government got \$2,600,000 in grazing fees last year. We have a township and a half—that is, every other section of land we own and we reserved that piece of land—that cost us six or seven years ago about \$2 an acre. We put in \$30,000 in land. We had to do this to protect our sheep in winter.

Mr. MONTAGUE. So practically you have all the land you want free of charge?

Mr. HADSELL. No. That \$30,000 we paid for land, not over that amount.

Mr. MONTAGUE. I understood you to say that you did not pay anything for Government lands?

Mr. HADSELL. There is a good deal of Government range out there that nobody can go over at any time that was free 20 years ago. There are Forest Reserve fees and much private land.

Mr. MONTAGUE. I asked you about your land. I understood you to say that you did not pay anything for the land.

Mr. HADSELL. Government land—20 years ago we owned practically no land and went on Government range.

Mr. MONTAGUE. How is it now?

Mr. HADSELL. Well, we go on Government range, but own 15,000 acres of land, and the feed on the Government land would be wasted if it was not harvested by live stock.

Mr. MONTAGUE. You say you had 14,000 sheep. How much land would you want for that size flock?

Mr. HADSELL. We go over a great deal of Government land. We probably make a circle of 100 or 150 miles in a year. Many sheep outfits are on this same range at the same time along with horses and cattle. In the winter time we are down on this land that we own.

Mr. MONTAGUE. I am asking you purely for information.

Mr. HADSELL. I would be glad to give you all the information I can.

Mr. MONTAGUE. Yes; I understand.

Mr. HADSELL. That is one part of the business I think I do understand, and I would like to give the committee all the information I can on the subject.

Mr. MONTAGUE. Now, let us leave the 20 years alone, and take the present. Do your sheep run upon your own land or upon Government land?

Mr. HADSELL. For about four months in the year, maybe a little bit more, we run on our own land.

Mr. MONTAGUE. How much land do you own?

Mr. HADSELL. We own about 15,000 acres in a body, of railroad land. All odd sections is Government land and the other sections are ours.

Mr. MONTAGUE. You own every other section, alternate, so to speak, and you get the benefit of your land and the Government land—hop, skip, and a jump?

Mr. HADSELL. That is it. We go on that land in bad years, about the middle of December, and we stay on that land—some of the sheep will stay there during May. We hold that in reserve, for if we had to trust to the Government range entirely the feed might all be gone, and we stay on the outside or Government land as long as we can, and then we come in on our own land where the feed has not yet been touched except by cattle and horses and game which runs at will on this land.

Mr. MONTAGUE. Did you take up your land in sections with intervening strips, so to speak, of Government land?

Mr. HADSELL. No; this land was Union Pacific land. It was granted that way, every other section for 20 miles on each side of the railroad. We bought that land from the Union Pacific, and nearly all the sheep outfits have a piece of land that is used for a reserve. We can not protect our sheep in severe hard winters without a reserve of feed of some kind.

Mr. MONTAGUE. The reserve land is your own private land, then?

Mr. HADSELL. Yes. A good many sheep in our country, in fact, the most of them go into the Forest Reserve in the summer time.

Mr. MONTAGUE. How do you feed your sheep?

Mr. HADSELL. It varies in different years—grass. Some years we do not feed them a thing, only the feed that grows on the range. This year we fed quite heavily. I was figuring up what our feed amounted to, and we have not fed nearly as heavy as most people in Wyoming. Many people in Wyoming have been feeding right through the winter, and it has been very expensive. Here is what our feed amounted to this winter. It is very light as compared with other sheep outfits, particularly as our best range was not snowed in. A great many ranges were snowed in.

Mr. MONTAGUE. How much did your feed amount to?

Mr. HADSELL. Our feed amounted this winter to \$14,995, or very close to that. This is an estimate, of course. That amount is comprised of 60,000 pounds of cottonseed cake at \$91.50 per ton, which amounts to \$2,745 for that item; 90,000 pounds of corn, at \$3.30 per 100 pounds, \$3,070; 250 tons of hay, at \$30 per ton, \$7,500; alfalfa and molasses, \$1,680; that makes a total of \$14,995.

Mr. MONTAGUE. That is for how many sheep—about 14,000 sheep?

Mr. HADSELL. No, we started in the fall of the year with 9,000 sheep, the last count on them. Now they are about 8,500.

Mr. HADSELL. In making that estimate of how much it cost us to feed this winter, I want to say that a good deal of that hay, which I mentioned cost us from \$30 to \$35 a ton. We hauled it out with trucks, our own and some that we rented. In about a week I paid one truck bill of a little over \$500. Now we estimated that our hay, when it got to the sheep, having to haul it 6, 7 and 8 miles, and 15 miles, some of it, would cost \$40 per ton.

Mr. SIMS. The climatic hazards that are due to the locality in which you produce your sheep in Wyoming, of course, can not be overcome by legislation. Congress could not pass any legislation that would change the climate. That is something you have to endure and get over the best you can by providing sheds, and so on. Now, one reason why you appeal for this legislation is so that you can sell the Wyoming wool that has just been clipped and put on the market as new Wyoming wool and not have to come in competition with shoddy and cotton and everything else that can be substituted and put off on the uninformed public, who become the victims of deceiving substitutes?

Mr. HADSELL. Yes.

Mr. SIMS. We cannot change your climate; but to the extent that we can help you I think we ought to help you.

Mr. HADSELL. We are doing everything we can to make our business a safe one on the range, that is, to get in hay, to build sheds and build different kinds of bed grounds. You gentlemen perhaps do not know what bed grounds are. Take a natural bed ground of sage brush, it probably comes about that high [indicating]. When it is cold and stormy the sheep go in there and it is probably the best protection we can get; but when the sage brush is filled up with snow the sheep of course can not go in, and we use canvas bed grounds that cost a lot of money, and we have board bed grounds that we move from place to place.

Mr. SIMS. My observation in going through Wyoming on a train is that a man ought to be paid a bounty for living in that land, rather than being discriminated against.

Mr. HADSELL. Well, Judge Sims, we love our country.

Mr. SIMS. Yes, and we ought to love it enough to see that it is not victimized by those who want to practice fraud on other people by selling something for Wyoming wool which is not Wyoming wool in the true sense, that is not virgin or new wool. I think you need every consideration possible. Anybody that lives in that section of the country, which is ill favored by nature, where you have such adverse climate conditions and do not have regular seasons, and where you have storms that few of us would like to endure to raise sheep or anything else, ought to have every protection we can give that does not go to the expense of the public.

Mr. HADSELL. Now, gentlemen, there is another sheep man here with me who wants to get away to-day. I have no more to say, but I should be pleased to answer any further questions.

Dr. WILSON. Mr. Chairman, I think Mr. Hadsell ought to be asked how many months this \$14,000 covers in feeding the sheep. You must remember that that was not for twelve months.

The CHAIRMAN. I understood him to say that it was for three-and-a-half months.

Mr. HADSELL. I would like to say a little bit more on that, gentlemen.

The CHAIRMAN. Very well.

Mr. HADSEL. We fed, probably, hay and grain—about two weeks steady feed of hay and grain—and then because the range was open, that is, little snow on the ground in our country and the sheep could get at the natural feed, which is better than any hay they can get. We did not have to feed any more hay, and we cut down on the corn and oil cake, but we are feeding now, but the feed is very light as compared with when the weather was bad. Some people of Wyoming have been feeding stock from the start of the winter because there was no natural feed or because of deep snow in their particular part of the State, and their expense has been maybe seven or eight, maybe ten times, as heavy as ours.

(Witness excused.)

STATEMENT OF MR. A. L. PEARSON.

The CHAIRMAN. Give your name, address, and whom you represent.

Mr. PEARSON. A. L. Pearson, Cody, Wyo.; I am president of the Big Horn Basin Wool Growers' Association of Wyoming. Mr. Chairman and gentlemen of the committee, after listening to Mr. Hadsell's excellent address before this committee and to the questions and answers, it has occurred to me that perhaps some of you would like to see some pictures of our country out there in Wyoming. I did not bring these kodak pictures with the intention of exhibiting them here, but I think it would be well enough to show them to the members of the committee.

The CHAIRMAN. Yes; just pass them around.

Mr. PEARSON. We grow lots of nice things out there. Here are two little brothers [indicating]; and there is a picture of range conditions. This is the open range back here.

The CHAIRMAN. I don't know whether the reporter is getting this or not. Perhaps you had better stand in the center here before the committee where he can hear you.

Mr. PEARSON. Certainly. I think, gentlemen, it comes in awfully good to be able to show these pictures giving some views of conditions that exist out in our country.

Mr. BARKLEY. Yes, it does. I think these pictures contradict Judge Sims's appreciation of Wyoming.

The CHAIRMAN. They probably do. Proceed.

Mr. BARKLEY. If the sheep you raise out there are as good looking as these two boys they are all right.

Mr. PEARSON. We raise quite a number of those boys out there, especially among the dry farmers. I will tell you about them later on.

Mr. BARKLEY. That is an argument in favor of prohibition.

Mr. PEARSON. Exactly. Now, gentlemen, I can herd sheep better than I can talk, and I would rather you would ask me questions and I will try and answer them as best I can. The bill pending before the committee has not been touched upon very much in its widest sense. We have talked about the marking and branding of goods, and all that. The bill itself says that it is to prevent deceit and profiteering that result from the unrevealed presence of substitutes for virgin wool in woven fabrics purporting to contain wool and in garments of wearing apparel, and so on. We have not yet said very much about the profiteer, but that will come out a little later on. I want you to remember that the bill is not only for the purpose of requiring proper marking of material to prevent profiteering, but the main contention, I take it, is whether or not it is the best plan for people to become educated and know what to buy, or to go on blindly, have plenty of money, pay the price, wear the goods, and repeat the same operation when necessary. In the case of foodstuffs we have been given the right to choose between goods that are pure and those that are not, buying sometimes those that are adulterated when it serves the purpose well, and when not we know that we can buy the pure goods because we can resort to the label. It is or should be our right, and if I were a manufacturer I would want it to be such, to choose the adulterated clothing if we wish and if not, to be able to buy the goods which we know to be made of new wool because the label tells you just what the article contains.

Gentlemen, I say that is satisfaction guaranteed and it won't be six months after a process such as this has been in operation that not only the people as a whole but the manufacturer, the tailor, and the merchant will ask with a sigh of relief, "Why hasn't this been done long ago?" It will benefit the grower, and that is what we are here for, is to benefit the grower. Every man who is here to testify before this committee is here to testify in his own interest. Now, we are a portion of the public also. We get the benefit of this indirectly as being one of the public, but we are here to testify in our own interests. The manufacturer is here to testify in his own interest, and I am here to testify in the interest of the wool grower, because, gentlemen, we need some legislation that will help the wool grower along. We are not here asking sympathy or begging for

anything, because we are getting along in pretty fair shape, but we are not getting along in the shape we ought to get along, compared with other lines of business. It is always that old idea that has been carried on for years, for generations, that business hates to change to the new line. "My father did it that way and he was a successful man," but the history reads that changes for advancement prove to be even more successful. To me this labeling of the contents of wearing apparel would place the manufacturer on a better footing, the tailor on a better footing, and also the clothing merchant on a better footing, for this reason: The manufacturer sells goods upon a straight lawful guarantee. The tailor merely shows his customer the label upon the goods which the consumer chooses; and the clothing merchant will be protected from the suspicions of his trade, because what he sells will be just what the trade demands and there can be absolutely no argument or suspicion in the mind of the customer as to the content of the material.

Now, in regard to the benefits to the wool growers, on account of such legislation, true it is it will benefit the grower. You can never provide something that is of value to the people in general but what it reflects in all directions, and the stockmen well know that the focus of that reflection needs to hit him pretty hard in order to give him his just profit. What should a business with a valuation of a hundred thousand dollars, or two hundred thousand dollars, pay, where his goods are turned once a year? It should pay 10 per cent, should it not? And I am safe in gambling a bet that there is not one sheep and farming outfit in a hundred in the West that is making any such return. So, when it is suggested that this proposed bill is for the sole purpose of benefiting the wool grower, when facts show that the material in a suit of clothes on to-day's market is not over \$6.50, of which portion the grower receives only \$5 to \$5.50, you can easily figure that the grower needs some help from some source. Now, I may not be correct on some of these figures. If I am not I would be glad to have any manufacturer correct me. The figure of \$5 to the grower and \$100 to the merchant for the suit hardly looks reasonable. Should not the grower earn more than 5 per cent of the transaction? Why, gentlemen, has the percentage of sheep decreased in the West in the past few years? The answer is in the increased cost of production and the price of products not being allowed to keep the same pace, and ranges becoming short, due to droughts and dry farming. I do not mean to knock the dry farmer, but he makes just as foolish ventures as many other men, and consequently starves out in time, after he has disrupted range conditions and plowed up the native grasses that did grow. Not all dry farmers, however, make failures, but the percentage of those that make gains is very small and happens to be some man who locates on a piece of land that has more or less of subirrigation connected with it. Nevertheless, it all hurts the range, but I say, where it is feasible go ahead with the dry farming, but where it is not feasible, and the settler takes up the land with the idea in mind to harass the stockmen and to finally try to sell out to him, I say it is a crime to plow up the grasses and sage brush that grew on the land, depriving the stock of those benefits.

I need not speak of losses in the stock business. You have all read of the ravages of the winter and of the drought of summer, and

so on. The conditions not only have a depleting effect upon the herds, but also upon the growth of the wool, and, necessarily, also, upon the growth of the yet unborn lamb. The shortage of feed along with the severe winter conditions retards the lamb's growth as well as resulting in a short lamb crop. So many conditions enter into running of live stock that it is made an extra hazardous business, and if a man makes good money one year you must remember that he has lost good money in years past and will in those to come. Our profits should be reckoned over a period of years and not on the year that is rosy. For our products we can not say to the buyer, No, the cost of this is "so and so" and I must have "so and so," as other merchants can do, but, on the contrary, we can take it or carry it over. Our banker will not permit us to carry it over, and the result is that we take it. In conclusion, I say, make everybody satisfied and stop the unrest. If a man pays a big price for a suit of clothes and knows what he is buying and also knows that each merchant, from the process of making to the selling, is making a just profit, he, the consumer, is going to be satisfied, thereby making business easy for the merchant.

The CHAIRMAN. Are there any questions?

Mr. PEARSON. Here is one thing that I would like to answer—you asked awhile ago if we always had a ready market for our wools, if we ever had to carry our wools over, and so on. The market for wool is just this. A buyer comes out there and he will offer you a price regardless of what this wool may have cost you. If you are willing to take that price you have a ready market for your wool. If you are not willing to take it, and feel that you can not sell it at that price and make any money on it, then you have no ready market for your wool. Consequently, if we do not take that price we will resort to the consigning proposition. And if you do not happen to have a carload of wool the buyer will not buy the wool simply because you have not a full carload. The buyer claims that he will have to pay too big a freight rate. Now, then, we have to resort to the consigning proposition.

I want to give you a little experience I had. I consigned one year our clip of wool and I got no returns for a long time. It was not on account of a limit being set on the price of that wool that I did not get returns, I gave them their option, they could go ahead and sell it at whatever they saw the market was. I gave them their own option, and at the next shipping time that wool had not been sold. There was 365 days that that wool had not been sold, and I was afraid not to consign our clip the second year because I felt that the firm might get sore and not sell to the best advantage, so I consigned our second clip of wool to them and it was 516 days before I got returns on our first clip of wool. And it was three hundred and some days before we got pay for the second clip. There is the situation. If you are willing to take what they offer, well and good, there is a ready market, but if we are not willing to take what they offer and can not afford to take it, we can carry it over.

Mr. SIMS. Now, as wool growers do not produce anything but virgin wool they are willing to compete with every other producer of virgin wool, but as the wool growers do not grow shoddy or any substitute they are opposed naturally to having any such products or such fibers go into the market in an undisclosed but competitive

form. Where fabrics made from substitutes and the fact is not disclosed, is not the chance of profiteering much greater in behalf of the producer of substitutes than of the grower of virgin wool?

Mr. PEARSON. It is absolutely greater. The grower of wool has to compete with the rag picker instead of the rag picker competing with the grower or producer of wool, which should be the case. Suppose you were feeding corn and you could buy a substitute for that corn that did not cost very much to produce. It would not pay you to produce corn, would it? Shoddy is producing a similar situation with the wool industry.

Mr. SIMS. Yesterday, I believe, or the day before, it was shown here that the red kidney bean was worth \$12 a bushel, and a bean grown in Manchuria was being laid down on the market in Chicago at \$7 a bushel, and that Manchuria bean, which is similar in taste, appearance, and so on, as the kidney bean was being sold at the same price, \$12, in competition with the kidney bean. Now, who could profiteer, the man who produced the red kidney bean in the United States, or the man who sold the Manchuria bean as a red kidney bean? The profiteering is all on the part of those practicing the fraud, is it not?

Mr. PEARSON. Yes, sir. Now, then, in regard to the production of wool, probably wool can be produced cheaper in some other country than it can be in our country; but, gentlemen, this is a big industry in our country, and we should protect each other's interest. We want to produce as much as possible and to export, if possible. I say this, that we can produce enough sheep and wool in this country to supply this country's needs and export some, instead of having to import wool. That is the business way of looking at this proposition, and it should be done. That very thing can be done. Gentlemen, the question was asked the other day if this bill were enacted into law how we would be protected, and so on, and if we could make enough money to carry on our business so that we could make a profit. Make shoddy stand on its merit and the wool grower will make a profit. Gentlemen, if we could become millionaires we deserve it. There is no industry in the United States today that is more deserving of making money than the stock industry. Just place yourselves for a moment in the position of a herder in our country. You, Congressman Winslow, are big and heavy—I do not mean to make any slurs, gentlemen, at all, you understand we are all friends.

Mr. BARKLEY. That is an obvious fact, anyway.

Mr. PEARSON. For the moment just place yourselves in the position of a herder out on these ranges. Now, there is one scene in those kodak pictures there I want you to see as it gives you an idea of the ranges—back of that bunch of hills there. Imagine yourselves out there as herders when a storm or blizzard comes from the north, with the wind blowing at the rate of 60 miles an hour, or 90 miles and hour. That storm comes up very suddenly and it catches you 20 miles away from the ranch, and the campender can not get out to your herd because of the storm and drifting snow. I can give you some experiences this past winter. Norris Newcomer and two men were out with his band of sheep when a storm came up. It started like an ordinary storm. Generally on a stormy day the

herder will face the storm with the sheep, so as to get back to bed ground better at night, but that day the storm started like a very ordinary storm and they grazed the band toward the south. The storm suddenly developed into a terrific blizzard, and they drifted with it. They could not turn their sheep back, but had to let them drift. These gentlemen stayed with their sheep until 7 o'clock that night, after dark, and finally got them into a pocket in the hills so that the sheep would not scatter unless the storm should drift them off. Then the only way the men could find their wagon and get back to it was to face the storm for a distance of 10 miles that night. Well, they finally reached camp, and they were very fortunate that they did not freeze to death. It was one of the worst storms we have ever had. When they got to camp their fingers were frozen, their feet were frozen, and they were just about exhausted.

That is one of the hazards that is apt to come about at any time during that season of the year in the sheep business. I say, gentlemen, that there is no industry in the world, no industry in the United States to-day, that is as deserving, or that is more deserving of consideration than the stock business, because we have those hardships to go through, and it is for the benefit of the public that we go through with them, as wool is the foundation of clothing. There is no doubt about that, and we should not be compelled to compete with the rag picker. It should be the other way—the rag picker should compete with the wool grower. I thank you, gentlemen.

The CHAIRMAN. We are very much obliged to you, Mr. Pearson.

STATEMENT OF DR. J. M. WILSON, McKINLEY, WYO., PRESIDENT WYOMING WOOL GROWERS' ASSOCIATION.

Dr. WILSON. Mr. Chairman and gentlemen of the committee, I will not try, as I want to get away to-day, to follow any regular order, but take things as they come. I realize that the time is very short and we have got to get through. In this bill, I think, instead of our friends from Boston sitting here and watching us with a certain amount of suspicion, they ought to be sitting, opposite at the table, to help fix a bill, because it is coming. It may not be this year or 10 years; and yesterday the representative of the _____ they had nine years to go and would work all that time to pass the bill. The time is ripe. You gentlemen will be with us in a year or so, trying to get a better way. You ought to be to-day.

Col. Winslow was asking if there were any examples where the price of wool was not governed by the law of supply and demand. If I had time I could recite to you a list of them that would be tedious, but to give one concrete example: When the Government took over wool we had a man named Ferguson at Douglas, Wyo. He was in the wool-raising business, and when this wool was taken over by the Government turned over first the clip taken off the year before. He did not have a ready excellent market because he could not sell it and had it a year. One clip was grown in a very bad winter and that wool was tender. He was out so far from the railroad and could not get feed. What I mean by tender—these gentlemen don't know. What it means, is a break in the wool, a tender

place, and it did not have the same tensile strength all through the wool, but to take hold of it in your hands it would break at whatever point the band of sheep had been suffering and starved out. The wool does not grow then. There is a period of time when the sheep are suffering for feed in which the vitality of the sheep is so low that the wool does not grow. It is just the same as a human being with typhoid fever. You can see if he has had one or two or three relapses by his finger nails. During the relapses the nail stops growing. When it starts growing you have the mark there. It is the same way with the wool in this condition, the wool is tender.

Mr. Ferguson consigned—it was all consigned then when the Government took it—and he sent to the different wool dealers and he had it graded, and so on, and sent it as the Government ordered it to the different houses. They had absolutely the selling of it and then made loans to the growers on many of the wools that they took 20 to 80, as high as 80 per cent. This one clip was tender. That clip was shipped to one commission merchant and that commission merchant sorted the wool and put it into different grades. He must have had a high cost with 10 or 12 different grades. The lowest grade of that wool sold for 50 cents. The highest grade sold at something over 60; I think it must have sold at 66 or 68. The other wool, the good clip, the clip that there was no question about, and remember this wool is from the same sheep and the two clips, as I remember now, were less than 1,000 pounds apart; 36,000 each, if I remember aright, with a few hundred one way or the other for one clip, or the other clip.

The other clip was handled and sold gross at 50 cents, bought gross the same as the worst wool he had in the other clip sold for. In consequence, the good clip of wool sold gross for 50 cents and the cost for marketing, etc., was a little over 2 cents, so that that clip netted him 48 cents and the other clip netted him 59 cents.

Mr. STINESS. What years were those?

Dr. WILSON. The year the Government took over the wool.

Mr. STINESS. What clips did they represent?

Dr. WILSON. They represented the Alex Ferguson clip of Douglas, Wyo.

Mr. SIMS. The Government took over the control of wool in 1918.

Dr. WILSON. It was 1917. They took over the wool first in 1917. But this man's clips were 1917-18 clips that were sold.

Mr. CLARK. Was the price of these wools that were taken over by the Government determined by certain inspectors of the wools? Was not that the way the prices were determined?

Dr. WILSON. That was the way it should be, but it was not the way it was done.

Mr. CLARK. How was it done?

Dr. WILSON. It was done in this case by selling. You remember this just as well as I do. It was arranged that where a wool was sold in the original bags and was not graded it went at 50 cents.

Mr. CLARK. Made after it was graded and the prices were fixed?

Dr. WILSON. It was sold without grading.

Mr. CLARK. You said one lot was graded.

Dr. WILSON. One lot was graded in different cities.

Mr. CLARK. And the prices of these graded lots were fixed by a certain body of inspectors?

Dr. WILSON. Yes.

Mr. CLARK. Is it not possible that they might have missed the point that the wool was tender?

Dr. WILSON. They might and might not. They were supposed to be competent men. The point I mention is the other wool was not graded and was sold without grading. The woolgrower was the man that lost, and the agreement made in Washington by Government wool dealers was that all wool should be graded, and the Government agreed to pay one-half cent for the grading, and when the association took this matter up with the wool dealer he said they did not permit of time to grade it.

Mr. WINSLOW. Was that contract as a whole carried out with the Government?

Dr. WILSON. In the end; yes.

Mr. WINSLOW. That was hardly a normal condition.

Dr. WILSON. It was the condition when the Government was supervising and was that when they took it over by the Government.

Mr. WINSLOW. Yes.

Dr. WILSON. Or rather the wool growers when they were supposed to have graded, checking it out.

Mr. WINSLOW. Whether that happened or not, it was not a normal condition in the wool trade. It was a Government agency working under war conditions, was it not?

Dr. WILSON. It was an agency working with the Government through the regular channels of the trade.

Mr. WINSLOW. The Government was a party to it?

Dr. WILSON. The Government's part came in when they came, as Mr. Clark says, to make the principal value of these wools, the different grades of it.

Mr. WINSLOW. Values?

Dr. WILSON. That was the only part the Government had.

Mr. WINSLOW. It was virtually an arbitrary price making on the part of the Government?

Dr. WILSON. No. The price was fixed by the price on a certain day that year and was fixed lower than the price then. It was the price in July?

Mr. CLARK. July 1. They fixed them on the basis of the market price on wools July 1, 1917, was it not?

Dr. WILSON. I think it was, and prices then on July 1 were not as high as the date the prices were fixed.

Mr. CLARK. That is right.

Dr. WILSON. And another clip of wool that went to this same dealer, remember that the first was Ferguson's that sold so low and matter was taken up and they had it reexamined, the dealer had and found it was worth 5 cents a pound more on reexamination.

Mr. WINSLOW. He had it from the Government all the time?

Dr. WILSON. No; the Government had nothing to do with this. This was the dealer himself, that he discovered after reexamining it that it was worth 5 cents more than what he told the woman—it belonged to an estate—that it was worth in another letter. Those matters were all taken up. These are values I am telling you. These matters were taken up by Mr. Pennwell, of the wool division, and he wrote he could not get anything done.

Those are the actual facts. Those are on record here. I will say this: I hold here a report of the last wool sales in Boston the 5th of March, the last Government sales, and where in the name of God the Government got so much rotten wool, I do not know. There is more rotten wool in this country at present than anywhere on earth. Wool selling as low as 12 cents a pound when they tell you wool is worth \$1, and here is good wool selling at 12 cents a pound and here is odds and trimming at a quarter and wool selling at 20 cents.

Mr. SIMS. Is that Government wool?

Dr. WILSON. The Government owns these and are selling them at auction at which all these gentlemen who are wool dealers congregate, and when they see bargains they buy them, when they see bargains they buy. If this wool was a bargain they would have bought.

Mr. SIMS. Intense competition?

Dr. WILSON. Intense competition; yes. You see in those ready markets these wools were offered and they could not get buying on them. Here is one sold for 9 cents.

Mr. MONTAGUE. Offered by the Government?

Dr. WILSON. Owned by the Government.

Mr. MONTAGUE. Offered by the Government?

Dr. WILSON. Offered by the Government; yes.

Mr. WINSLOW. No bids?

Dr. WILSON. No bids. The wool was so rotten nobody wanted it.

Mr. SIMS. What was that put up by the Government for?

Dr. WILSON. You will have to ask some of these men. We asked them and they said they did not know and did not know where they got it.

Mr. SIMS. It was sold by human beings and somebody graded that wool before the Government bought it.

Dr. WILSON. No; I beg your pardon. It was bunk, practically.

Mr. SIMS. In other words, it was the judgment of human beings supposed to know what they were.

Dr. WILSON. Mr. Clark can tell you.

Mr. CLARK. The Government took over all the wool there was in the country at a certain date. It did not make any difference what quality it was; practically all of the wool was taken over by the Government that there was in the country.

Mr. SIMS. Commandeered.

Mr. CLARK. Yes; and controlled from that time on. The prices at which they took it over were as described by Dr. Wilson.

Mr. SIMS. By supposed wool experts?

Mr. CLARK. Yes, sir.

Mr. SIMS. And the argument was that the owner of the wool should not receive any more than it was actually worth?

Mr. CLARK. The market prices on a certain day.

Mr. SIMS. Has the Government taken up any other rotten wool at the same time in the same way? Did they take over inferior or rotten wool?

Mr. CLARK. They took over everything. The reason these wools are not selling is because they are largely low-grade wools and there is no demand for low-grade wools at the present time. The demand for fabrics is for fine fabrics, fabrics made up of fine wool, and consequently there is no demand for these coarse wools.

Mr. SIMS. These will not even compete with shoddy material?

Dr. WILSON. These are worse than shoddy.

Mr. CLARK. As a matter of fact, the manufacturers might buy that wool pretty cheap if the French bill was in operation and put that off on the public as virgin wool.

Mr. MONTAGUE. It would be virgin wool.

Mr. WINSLOW. Do you think that good judgment was displayed on the part of the buyers of the wool to take it in for the benefit of the Government?

Dr. WILSON. If you will find me the prices they paid for it, else I can not answer. I think the wool sold at the same prices as other wool sold which had been stored years and years and it was turned over in the general mixup. This wool probably brought 50 cents. I do not know; I can not get at it in any way. Mr. Clark, will you be kind enough? I have here a list of weights, if you will help me at these—these are average. I do not want to pose as an expert. I do not know anything about that part of it, manufacturing. I do know something about what these people were telling on the range.

Mr. CLARK. It is put down, ladies' goods, 9 ounces, and 12 ounces ladies' suitings, which run in these weights, and ladies' cloakings run in much heavier weights.

Dr. WILSON. Take the next.

Mr. CLARK. Men's goods run from 12 ounces to 16 ounces. Men's goods are even made lighter weight than that for strong wear. They will run down to 9 to 10 ounces.

Dr. WILSON. They are much heavier than 16.

Dr. CLARK. They do run considerably heavier than 16 ounces, and in these times winter suits are frequently made out of cloth that does not weigh more than 13 or 14 ounces. The weights of the goods have gone down in recent years. People are wearing lighter weight clothing than they used to wear. Overcoatings are from 24 to 30 ounces. That is right. These weights are all right.

Dr. WILSON. You see whenever we get together we will have no trouble. Mr. Clark will be gentle and I will be gentler. The reason I ask for these figures which were given me is I have gone through this argument against the truth in fabric bill and I have taken some of the figures, and it was necessary to be bolstered up by Mr. Clark, which he has kindly done. The figures I have here would in the aggregate be too light. There were 620,000,000 yards of cloth made last year.

Mr. CLARK. Thereabouts.

Dr. WILSON. In that neighborhood. This is exactly correct. That is 620,000,000 yards of cloth, if all good wool was used in that, that is this high-priced wool, the shrinkage of which is about 60 per cent. What we mean by shrinkage is this, gentlemen. You take 100 pounds of wool and we say the shrinkage is 60 per cent of dirt, grease, and foreign substance in the wool, or 60 pounds of that, and out of 100 then 40 pounds of it is wool. That is what I mean by shrinkage. The shrinkage is what is taken away from the wool, the foreign substance, and leaves the clean wool, and when there is a shrinkage of 60 per cent the clean wool in that article would be 40 pounds. If the shrinkage was 65, the clean wool would be 35. If the shrinkage was 70, which it is in cases, and the Government report mentioned some at 70, the clean wool would be only 30 pounds.

If this was using the fine wool to make that, you would have to take two and a half times that because it would take two and a half pounds of grease wool to make a yard. To make 620,000,000 yards, it would take two and a half times. I am using 60 per cent shrink which that fine grade of wool does do and you have 1,550,000,000 pounds of wool. If you would make it 50 shrink, it would catch a whole lot of lighter wools and you would still have 1,240,000,000 pounds. You would have two times the 620,000,000 yards. That is, actual wool.

I forget the amount of wool raised in the world. It is all estimates, a pretty good estimate, and I should judge that it is practically one-half of the entire clip of the world.

Mr. CLARK. Two billion eight hundred million.

Dr. WILSON. That would be practically one-half of the entire wool of the world, 2,500,000,000. That is approximate. It is like the statistics of sheep that the colonel has been reading. The census is taken every 10 years and the Agriculture Department, as I understand, bases the live stock number from the census of that year, under the condition of the live stock returned last year; if too much, they will add to the live stock returns each year that percentage; if too little, they will subtract from the returns of the live stock the same percentage and then we get it corrected every 10 years.

Mr. WINSLOW. These figures you have given, the department has held them out; they have the figures of the field agents out through the country during the years reported on.

Dr. WILSON. Yes; I am one of the field agents and they write me letters. I can not give the other value. They mean the hide value.

Mr. WILSON. What value do you put on these reports?

Dr. WILSON. So much that I do not pay much attention to the things until we get the 10-year period.

Mr. WINSLOW. Then do you believe that the agricultural reports are of no value?

Dr. WILSON. Yes; they are of value, but men that are used to them know that they are only relatively of value.

Mr. WINSLOW. Are they doing any good to the public if they are guesswork?

Dr. WILSON. I think at times they are doing harm.

Mr. WINSLOW. Would you favor the elimination of that service?

Dr. WILSON. No; I think it is of some good.

Mr. WINSLOW. You have some hope for that department?

Dr. WILSON. Yes.

Mr. WINSLOW. You think some day they will catch up with the facts?

Dr. WILSON. They catch up every 10 years; once every 10 years.

Mr. SIMS. The oftener they guess the more accurate they can come.

Dr. WILSON. They have a basis to start with.

The CHAIRMAN. I do not know why there should be so much guessing about it. In my State, the tax roll is a pretty careful index of the rate of growth in every county of the State.

Dr. WILSON. Yes.

The CHAIRMAN. I assume that most States have a like system. If we get these estimates the way the assessment rolls are given, it would be a pretty definite list of facts.

Dr. WILSON. In Ohio, I do not know in other States, but I was raised in Ohio, and when I was there the assessor would come around and the assessors would meet in the counties and would fix the prices for horses. One year it was \$150. The assessor would come to you and say that the horse was pretty good; it was worth \$150. Here is a mare practically worn out, she is worth \$40; here is a yearling, it might be worth \$60, that yearling colt. Here was a team of horses probably worth \$200 apiece. Then he would add these together and divide by the price of stock and say there was that much. If you happened to have a lot of stuff below the average, the return would be below the average. It was the same way with sheep, cattle, and hogs.

Mr. MONTAGUE. Do the census people do any better than you can?

Dr. WILSON. They may.

Mr. MONTAGUE. Why are you relying on the census particularly? Do they seem to have the advantage in getting the facts?

Dr. WILSON. Certainly.

Mr. MONTAGUE. I understood you to say they do not.

Dr. WILSON. No; I meant the field men that the judge was talking about. These field men are mostly volunteer men. We can send in returns of our own. If it is not too much trouble, can you tell me the amount that report gives for the last year?

Mr. WINSLOW. 1919?

Dr. WILSON. Yes.

Mr. CLARK. Three hundred and fourteen million.

Dr. WILSON. For the State of Wyoming?

Mr. WINSLOW. No; I do not think so.

Mr. CLARK. Grease and scoured?

Dr. WILSON. How much in grease?

Mr. WINSLOW. Grease, 34,707,000.

Mr. CLARK. That is a mistake in the printing.

Mr. WINSLOW. Scoured, 11,453,000.

Dr. WILSON. We had a fraction over 22,000,000 last year. I have a report from every railroad, and we shipped from the State of Wyoming 22,000,000.

Mr. CLARK. A little more than the year before.

Mr. MONTAGUE. What about difference between the 22,000,000 and the 34,000,000?

Dr. WILSON. Not in that State. There may be some remaining in the State.

Mr. MONTAGUE. Are the statistics wrong, then?

Dr. WILSON. They are not absolutely correct. They are approximately correct. They are not wrong statistics, but it is for the other year, and so on.

Another question, while I think of it, is how it comes that sheep may increase or decrease and the wool the reverse. Now, in Wyoming, the condition that Mr. Hatzel told you of when the wind was so bad, if that ground was bare of snow, the clipping would be very heavy. We have had the same sheep under the identical conditions, cold weather one year, and bands sheared more than the other year, simply because dirt had blown into them and when the sheep came to be shorn the whole top of the sheep is sand and dirt, so that the statistics may look unreasonable, that sheep have decreased and still increased the wool supply. When you take a State like Wyo-

ming, 3,000,000 sheep, and you increase 38,000, that is not anything in that State. The percentage is practically nil.

The CHAIRMAN. The trend is in the right direction?

Dr. WILSON. Yes. The trend is in the right direction. Now, I have made some figures on the basis here and taking it from this record [indicating], that estimate is as correct as they can make it, although I do not like it by a man who is not an expert, when they say that of the woolen suitings and overcoatings and the dress goods; that is, women's dress goods. Now, it is hard for a person who does not know to figure out anything on that.

Mr. CLARK. It is taken right from the census figures.

Dr. WILSON. That is probably all right. Another thing, Mr. Clark, are there any census figures later than 1914? Those are the last figures you have?

Mr. CLARK. Yes.

Dr. WILSON. Five years have elapsed since and you have no other figures?

Mr. CLARK. That gives you the latest.

Dr. WILSON. That is one thing you are taking into consideration, gentlemen, because the statistics five years ago are not much at present to do business on.

Taking that up from another place, I get the substitute for virgin wool. Some of them are just as good; some of them not. Mohair, camel's hair, alpaca, and vicuna, 15,900,000 pounds, over 5 per cent of the entire use of virgin wool. Other animal hair—what does that cover?

Mr. CLARK. I really do not know, Doctor, I never used any of it.

Dr. WILSON. I will tell you what I think it is. I think it is cow's hair. I have picked cow's hair out of blankets.

Mr. CLARK. Somebody suggests dog's hair.

Dr. WILSON. It is hair, and I think it is cow's hair. Mr. Clark does not know what it is because he does not use it. I do not suppose any of them use it, but they still use 28,000,000 pounds of it.

Mr. MONTAGUE. Would that have been goats?

Dr. WILSON. No. Goats are in another place. In other words, 9 per cent of the entire use of virgin wool.

Mr. MONTAGUE. Where did you get that figure?

Dr. WILSON. Out of this book.

Mr. MONTAGUE. Other animal hair is 14,700,000.

Dr. WILSON. That is what I said, certainly.

Mr. MONTAGUE. You quoted 28,000,000 just now.

Dr. WILSON. I put the two together here.

Mr. CLARK. Camel's hair? You referred to vicuna. Those are all very good fibers.

Dr. WILSON. Some of them are worth more than wool, possibly.

Mr. CLARK. They make beautiful wool.

Dr. WILSON. Then reworked wool fiber, 70,900,000.

Mr. CLARK. It is 85,000,000.

Dr. WILSON. Have I got the wrong book then? These books are all published alike?

Mr. CLARK. Yes.

Dr. WILSON. Then you have got different figures in different parts of the book; other animal hair is 28.1. I thought I had added them together, on page 19.

Mr. CLARK. On page 19, 70,900,000; on page 23, it is 85,600,000 pounds.

Dr. WILSON. Is this a mistake of the printer here?

Mr. CLARK. No; these figures were taken from the census reports.

Dr. WILSON. It was 1,400,000 taken from the figures.

Mr. CLARK. That is from the census report?

Dr. WILSON. That part of the census report is 1,400,000, and the other is 28.

Mr. CLARK. There ought to be some explanation of that. I can not tell myself just what it is.

Mr. MONTAGUE. Those are Government figures?

Mr. CLARK. Yes, sir.

Dr. WILSON. Their figures were taken from the Government, but they introduce another lot of figures, that were not the same at all. When you came to look at the figures they were variable, because they were intrastate and interstate. That does not appear in anything but 4,000,000 and 28 in the other.

I thought I added those two together when Mr. Clark said it was 14,000,000, but I find that I have not. You can call it what it is, but Mr. Clark does not know, and if he does not know I will not try to tell you, because I do not. He does not use it himself. We believe that absolutely, but some of his friends disagree.

Mr. CLARK. I was just asking one of my men if he knows what kind of hair that is, and he says he does not.

Dr. WILSON. Here is a man with a perfect alibi.

Mr. CLARK. Here is another one that does not know what kind of animal hair that is.

Dr. WILSON. Engaged in the business as you are, intelligent men, you ought to know absolutely.

Mr. CLARK. Not if we don't use it.

Dr. WILSON. You know what somebody else knows?

The CHAIRMAN. This matter can be clarified by asking the proper Government official for an explanation of the difference or discrepancy in the figures, and put it in the testimony.

Dr. WILSON. To go on with the next, reworked wool, 70,900,000. I have got the figures out of the book on page 19. That is correct.

Mr. CLARK. Yes.

Dr. WILSON. It makes 23 per cent of reworked wool used that year. Then cotton is 38,300,000 pounds, 12 per cent. The total used I have accounted in the 5 per cent camels' hair, etc., but these are substitute amounts. Forty-five per cent of the substitute used in a month of that year.

Mr. WINSLOW. What year was that?

Dr. WILSON. 1914, was it not?

Mr. CLARK. The census report?

Dr. WILSON. Yes, sir.

Mr. CLARK. Yes.

Dr. WILSON. 1914.

Mr. WINSLOW. That was a pretty hard year, when very nearly all the mills were closed, trying to get released business

Mr. CLARK. In the early part of that year it was extremely dull, before the war.

Mr. WINSLOW. Before August?

Mr. CLARK. Yes, sir.

Mr. WINSLOW. Practically at a standstill.

Mr. CLARK. Yes, sir; extremely depressed.

Dr. WILSON. But they used considerable wool during the depression and considerable substitute. Here is wool in different bases. This is on page 23, and I would notice on the page 434,700,000. The figures are in millions. There was top yarns, woolen, worsteds, amounting, added, to make a total of wool, top yarn, and, in other words, absolute wool, there was 519,500,000 pounds. Coming to the vicuna and alpaca, which was 4 per cent; all other, 14,000,000 pounds, 14,700,000 pounds, not 28,000,000; that we have on the other page.

Take the 533,000,000 that was wool. You know there is some wool in there as waste, nolls, etc.; 42,000,000 total wool tops, yarns, nolls, and waste, 590,000,000; total wool tops, yarn, nolls, and waste, 561,000,000, and subtract that from the other, and it leaves about 40,000,000 pounds of this hair and other materials to go in. Take that, and the figures of the other material put in, and it makes a total of 59 per cent shrink in part of it. No; it makes 41 per cent shrink, and 59 per cent of wool left. It makes a total of 178,227,000 pounds of substitutes used. They do the work, that is, 257,400,000 pounds. There is 178,227,000 pounds of substitutes.

Mr. CLARK. You are including in substitute tops and yarns of wool?

Dr. WILSON. No; I am including tops and yarns and including in the wool, everything that said wool.

Mr. CLARK. The 257,000,000 pounds is the equivalent of that one item at the top, 434,000,000 and then those other two in addition to it.

Dr. WILSON. That will change it a little, but it will surely make 172,227,000 pounds of substitutes.

Mr. CLARK. There really is not a substitute in that list unless it is this all other animal hair that would not be virgin wool under the French bill. All those items would be virgin wool under the French bill, unless possibly the item of all other animal hair.

Dr. WILSON. There is no other reworked wool, is there?

Mr. CLARK. There is no reworked wool in there.

Dr. WILSON. Take the table below, you get reworked wool.

Mr. CLARK. By way of suggestion of one of my friends here, I can explain that difference between that figure on pages 22 and 19, in regard to the amount of reworked wool. On page 23, it says, 85,000,000, and on page 19, 70,900,000 but in that 85,000,000 is included the item of rags, reworked fiber, etc., 59,400,000, or of reworked wool fiber, 26,200,000 pounds. In reducing those rags and reworked wool fiber, there is quite a shrinkage, so that no doubt this item on page 19, of 70,900,000 of reworked wool fiber is what it is after those rags on the other page have been reduced to reworked fiber.

Dr. WILSON. About what per cent would they use?

Mr. CLARK. You see out of those total figures there is a loss of about 15,000,000 pounds, but, of course, that would apply to 59,000,000 at 5,000,000 pounds less, of 59,000,000, or, say, 60,000,000. That would be just about one-fourth.

Dr. WILSON. Then, if this was reworked down to its final factor, we would have about 40,000,000 pounds of rags.

Mr. CLARK. You mean reduced to reworked wool?

Dr. WILSON. Yes.

Mr. CLARK. That would reduce it about 45,000,000.

Mr. WILSON. That would be over one-fourth; yes.

Mr. CLARK. It is 59,400,000 pounds, or 15,000,000, practically half of that. It is practically one-fourth off.

Dr. WILSON. It would be very close to 45,000,000 pounds.

Mr. CLARK. Yes.

Dr. WILSON. There are several things I would like to go into and I think I can finish in 10 minutes.

The CHAIRMAN. Very well.

Dr. WILSON. I might say while I am here that we do not mind being called foolish or anything of that kind personally, but when that great association with a paper published goes on and traduces not only an individual but a Member of Congress and says that he is weak, ignorant, and avaricious, I think they are going too far, absolutely. I do not believe any man in making an argument of that kind has a right to use language of that kind, even if the men are ignorant and foolish. As a matter of fact, after the talks had this morning on the range, you have probably a right to call us foolish. We do not want them to apply that epithet to a man who has served in the United States Senate longer than any other man in it, and is second in continuous service, trying to do his duty, and I believe the Senator from Minnesota on that, rather than to take the complaint of a man of that character against a man who is now chairman of the Appropriations Committee. It does not come in good grace, from any body of men.

I am going to read this part of it, and I want you to get in that I said that it purported to be a correct copy of a letter or a part of a letter, that was sent to the chairman of this committee.

This man, S. S. Dale, is the editor of a paper, called Textiles.

Mr. CLARK. Yes.

Dr. WILSON. He goes on to say, Samuel S. Dale, in a letter to the Chairman of the House Committee on Interstate and Foreign Commerce—I quote from the Daily News Record of New York, March 22, 1920:

[New York Daily News Record, Mar. 22, 1920.]

CAN'T ENFORCE LABELING BILLS, SAYS S. S. DALE.

SUGGESTS PERFECTION OF BARKLEY MEASURE AS BEST MEANS OF PROTECTING PUBLIC AGAINST MISREPRESENTATION.

"The French-Rainey-Capper bills for labeling wool goods not only can not be enforced but the attempt to enforce them would aggravate conditions they are intended to remedy, thus laying an additional burden on the already overburdened people of this country," says Samuel S. Dale, editor of Textiles, in a letter to Chairman John E. Esch of the House Interstate and Foreign Commerce Committee which is conducting hearings on the several truth-in-fabric bills. Mr. Dale indorses the idea of protecting the public against misrepresentation and fraud on all commodities, but favors legislation similar to the British merchandise marks act. To this end he urges the committee to perfect and report the Barkley measure.

Mr. Dale, outlining "a few fundamental facts" in connection with his subject, says in part:

NO WAY IN DISTINGUISHING NEW FROM REWORKED WOOL.

"As the processes by which wool is converted into yarn and cloth do not change the chemical composition of the wool fiber, it follows that fibers of wool as they come from the sheep's back and as they are obtained in the form of shoddy or reclaimed wool will give exactly the same chemical reactions, and that for this reason there can be no chemical test to distinguish in yarn or fabric the fibers of wool that have been pre-

vously used in the manufacture of wool goods from those fibers which have not been used.

"The appearance of a wool fiber is changed slightly by the processes of manufacture and conversion into shoddy, the surface being made smoother by the wearing off of the smoother scales that are characteristic of wool and by the breaking of some of the fibers. As wool from the sheep's back varies widely in this respect, from fibers with a surface thickly studded with scales to fibers so smooth and free from scales as to resemble hair, and as but a comparatively few of the fibers of shoddy are found to be broken or split, it is plain that neither the number of scales on the surface of the fibers nor the number of broken or split fibers supplies any reliable indication of whether wool fibers found in a fabric have been previously spun or woven into cloth.

"There are several reliable and easily made chemical tests by which wool can be distinguished from vegetable fibers, such as cotton, linen, hemp, and jute.

"It follows that when wool from the sheep's back is mixed with shoddy and spun or woven into cloth, it is impossible to distinguish one from the other by chemical tests or microscopic examination, and it follows that wool fibers, including both new wool and shoddy, can be distinguished from the vegetable fibers.

Here is one thing he says that certainly can not be so:

The manufacturer of yarn and cloth composed of mixtures of new wool and shoddy with or without the admixture of other fibers has a record of the weight of each kind of material going into the batch of loose stock before manufacture into yarn or cloth, but he does not know what proportions of such materials are in the yarn or cloth; this lack of knowledge being due to the following influences which can not be determined: (1) The relative shrinkage, visible and invisible, of the different materials in the process of manufacture; (2) the amount of oil, soap, or other material added to the stock during manufacture and which remains in the yarn or finished cloth.

Now, gentlemen, certainly that man did not mean that a chemist could not take a piece of any kind of goods on earth and tell whether it was oil or soap or other material in it, because oil or soap does not look like wool. Nobody can tell such a mixture, except some chemist, except by chemical analysis or a microscope. If you said a thing is wool quality it might have very many things. For instance, it is 18-ounce quality, and the Government said 18 ounces, or 18½, 19 or 19½ or 19¾.

Mr. CLARK. There is a limit that is placed.

Dr. WILSON. If you get practically 18 ounces, you would get it 18 ounces.

Mr. CLARK. No; because it is absolutely impossible for anybody to know exactly what. There is a reasonable limit.

Dr. WILSON. What would that vary?

Mr. CLARK. It would vary 5 per cent.

Dr. WILSON. Eight.

Mr. CLARK. It might vary to one side or the other. The Government yarn is supposed to weigh not less than the weight specified. They may weigh more.

Dr. WILSON. If you do not get them above that or equal to it, they annul all the contracts for those goods?

Mr. CLARK. If they do not get up to that.

Dr. WILSON. Yes.

Mr. CLARK. They would have to do that.

Dr. WILSON. Certainly. That does not change one particle of the character of the stuff that went into that mass. They knew whether they put 1,000,000 pounds of virgin wool into it or 1,000,000 of reworked wool, or 1,000,000 of camel's hair, or anything else. They absolutely knew what they put into that mixture, the same as a physician giving a prescription gives that prescription and he knows what he puts into it, but does not know unless he would take time to work it out, the chemical changes that took place in that, and in the

text book there is always a list of articles not to combine in the prescription because they are incompatible and will not work right. He knows what is in that prescription, but he does not know any more than does a man when they claim that they can make this cloth within a fraction. A good chemist or an ordinary chemist can tell whether it is soap or oil that is used in there, and so on.

Mr. CLARK. I do not think you get the point of that letter.

Dr. WILSON. I will get to the point directly. I am not, but I will get it directly. I will skip a whole lot because it is not worth quoting; it is a long column, containing a letter sent to the chairman of this committee.

The CHAIRMAN. I received it.

Dr. WILSON. I will read you what they say about a Senator of the United States.

Mr. BARKLEY. Has the letter gone into the record, Mr. Chairman?

The CHAIRMAN. I have not inserted it. I have it here on my desk.

The WITNESS. I will read it from this newspaper. It goes on with a whole lot of other statements that are nearly as bad, but not quite. Here is one:

A large amount of slush money has already been raised—

For the putting through of this bill, I suppose he means; but as you gentlemen in the coming campaign will hear so much about slush funds, because it has already started, I do not think this will be interesting to you. I will read again:

Mr. Dale quotes figures to show that the annual wool production not only provides 12.3 ounces of cloth per year for each person, which proves, he maintains, that the very existence of the great majority of the population of the United States depends on the reclaiming and remanufacture of wool into wool goods.

SAYS WOOLGROWERS DESERVE SYMPATHY.

"As I write these words," the statement continues, "there lies before me a sample of wool goods marketed as all new wool, which these bills propose to stamp as 'virgin' wool, bearing the label of a firm of manufacturers whose spokesman is the most obstreperous of the agitators who are deluding the woolgrowers"—

I will say right there that I have been with the National Association for several years, and we have passed resolutions of this kind, not for the French bill, because it was not in existence, but for a law stating what material was in the goods. We passed these before ever the Sheep and Wool Bureau of America was dreamt of, years and years ago. [Continuing reading:]

The wool growers of the far West deserve sympathy rather than censure. They are victims of weak, ignorant, and avaricious leadership, such as has marked their organized activities for the past 55 years.

Senator Warren was president of the National Wool Growers' Association for several years, and the Wool Growers' Association was originated in Ohio; the National Wool Association by a group of wool men at Bellefonte—Judge Lawrence was one of them—west of the Mississippi River. Every man who has served as president or leader of the association is alive at the present time. Senator Warren was the first one. He was president of the association for several years. I was western vice president, and I suppose, as a matter of fact, I go under the same category. Gov. Gooding, of Idaho, did not show himself a weak man when he conducted the murder trial of Gov.

Steunenberg, and Mr. Hegebarth was president, and any man who has had anything to do with the guiding of that association is still alive. The people of Wyoming think that Senator Warren is a pretty good man. We have kept him here longer than any other man in the Senate. His time of service is longer than anyone else, with the exception of Mr. Lodge, who has served longer than any man except Mr. Warren. They call a man of that quality weak, ignorant, and avaricious, and they must be in desperate bad straits to descend to an argument like that.

Mr. CLARK. Do you connect that letter of Mr. Dale's in any way with the manufacturers' associations that have been present testifying here?

Dr. WILSON. He represents the Manufacturers' Association, as I understand.

Mr. CLARK. I beg your pardon, sir; he does not represent the Manufacturers' Association.

Dr. WILSON. They support the paper.

Mr. CLARK. The subscribers or the advertisers who take it, advertisers support it.

Dr. WILSON. Is it taken pretty generally in the manufacturing districts? Textiles is the title of it.

Mr. CLARK. Mr. Dale used to be connected with a textile publication, and he came out of it and began publishing this one here. I simply want to say he has absolutely no connection with any of the manufacturers' organizations. They are not responsible for anything that he says in his magazine. They are not responsible for the letter. I never heard of it before, and I have had no conversation with Mr. Dale about this matter at all. He is absolutely responsible so far as we are concerned.

Dr. WILSON. I suggest you have him change the title of his paper.

Mr. CLARK. I am not interested in his paper.

The CHAIRMAN. The committee will recess until Monday morning at 10 o'clock.

(Thereupon the committee, at 12.50 o'clock p. m., adjourned to meet again at 10 o'clock a. m., Monday, March 29, 1920.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Monday, March 29, 1920.

The committee this day met, Hon. John J. Esch (chairman) presiding.

Mr. FRENCH. Mr. Chairman, Dr. Wilson is ready to continue.

The CHAIRMAN. How much time will you take, Dr. Wilson?

Dr. WILSON. I do not think that I ought to take over three-quarters of an hour. If you do not bother me too much, I will not take that long.

The CHAIRMAN. I can not assure you of that.

STATEMENT OF DR. J. M. WILSON, PRESIDENT WYOMING WOOL GROWERS' ASSOCIATION, MEMBER EXECUTIVE COMMITTEE OF THE NATIONAL WOOL GROWERS' ASSOCIATION, AND MEMBER OF THE EXECUTIVE COMMITTEE OF THE AMERICAN NATIONAL LIVE STOCK ASSOCIATION, MCKINLEY, WYO.—Resumed.

Dr. WILSON. Mr. Chairman and gentlemen of the committee, when the gentleman the other day went on to tell you about the loss suffered, he forgot to tell you that there was an additional loss, that when you lost in the spring you not only lost the sheep, but you lost the feed that you had put into them. For instance, in our own case we had in April, four years ago, I think it was, 3,000 2-year wethers, and they were worth at that time probably \$6 a head, and they got away during a blizzard one night, I think about the 13th of April, and crossed a dry gulch and went over a hillside and got in behind a hill that protected them from the wind. Just as soon as they passed to the other end of the hill the wind struck them and the lead turned back and we had what they call a "pile-up" and lost 2,300 head in probably half an hour. There was no way to avoid that. These sheep had been fed probably three or four dollars' worth of feed that winter and with all the feed necessary within a few miles in that blizzard we lost 2,300 out of 3,000.

Mr. SIMS. Did they freeze to death?

Dr. WILSON. No. They came in behind the hill and the wind was not blowing on them, and just as they got over the hill the wind struck them and the lead turned back and they piled up one on the other.

Mr. SIMS. And just crushed each other to death?

Dr. WILSON. They smothered to death. That is not a very rare occurrence, it occurs once in a while.

When I tell you that one man in Wyoming during that winter and the winter previous lost 120 per cent of his original flock, as a matter of course, I suppose you will think that I have worked with the figures in working out the total. The way he lost 120 per cent, he lost 60 per cent the first winter, with a feed bill for over \$60,000, because it costs sometimes more to get the feed from the railroad station than the feed costs laid down at the railroad station, having to move it out in the snow, and so forth, 30, 40, 50, and possibly as high as 60 miles. He lost 60 per cent the first year. He bought some more and the next year he lost of the increase enough so that he thought he had lost 60 per cent of the original herd.

Mr. SIMS. This bill would not help him; it would only increase the cost of the wool.

Dr. WILSON. I began to have hope this morning when I read in the Washington Herald that a Member of Congress is wearing patched clothes, old clothes, because he can not buy any other ones. He is from Mississippi and says that he can not afford it.

I wore this overcoat [exhibiting] this morning just as an illustration. There is an overcoat that was made 15 years ago. I have worn it nearly all the time.

Mr. WINSLOW. Is that all virgin wool?

Dr. WILSON. It is all wool. I do not know whether it is virgin wool or not. That coat was made in December, 1905. It is too heavy an overcoat to wear every day.

Mr. WINSLOW. Would you say that there was no shoddy in that coat?

Dr. WILSON. I would, certainly.

Mr. WINSLOW. Is that a matter of fact?

Dr. WILSON. It did not cost me anything to buy, because a party I outguessed on an election paid \$80 for it. I was to get the best overcoat I could buy. I have not had a single thing done to it, except to have a new collar put on it.

Mr. WINSLOW. Is there any way by which you can tell whether it is shoddy or not?

Dr. WILSON. No.

Mr. WINSLOW. You have had it for 15 years?

Dr. WILSON. Yes, sir. I take it for granted that there is no shoddy in it. Nobody can tell. There is no shoddy as good as virgin wool; that is, made over.

Mr. STINESS. May I interrupt you by asking a question?

Dr. WILSON. Certainly.

Mr. STINESS. What is the length of the life of a sheep for shearing purposes?

Dr. WILSON. On the range the half-breed or the coarse breed sheep will last probably 5 years. After 6 years, you have to turn them off. Their mouths break out earlier than the Merino. The average age of a Merino sheep is about 6 to 8 years, but some last 14 years; but that is very uncommon; a well-bred Merino will continue up to 8 or 9 years old.

Mr. STINESS. Is the wool clip equally as good?

Dr. WILSON. No, sir; but it is good wool if it is good sheep. It is not the strength of the wool, but the length that is on the younger sheep.

Mr. SIMS. What do you mean by their mouths breaking?

Dr. WILSON. As they get along in years, especially the older ones, the teeth wear, and they can not eat hard foods. They can not live on the range grass, and they do all right if they get good food, alfalfa, and soft food, it must be soft food.

Mr. SIMS. And the finer breeds hold their teeth better?

Dr. WILSON. Yes, sir.

There is no one that I know of who is in favor of this bill or this arrangement that wants to stop the manufacture of shoddy. That is greatly needed, because there is not wool enough grown now to clothe the people without shoddy. These gentlemen tell me, the most of them, that they are not using any shoddy. If they do not use any shoddy this bill would not hurt them.

Mr. SANDERS of Indiana. They would have to label it?

Dr. WILSON. That would make very little difference from the evidence of the men who have the machines. There is only one thing I would label it, "Made in the U. S. A." in addition to the way that they propose to label it, so that the guarantee would mean something. I do not think that it would cost more than one-fifth of a cent to label those three letters on it. There is no intention at all of trying to keep this out, if it is needed. I do not know whether it is practicable or not, but if practicable it could be easily determined that no goods, no fiber unless of a certain length should go into the first grade—you can not know exactly the length, but I have been told it was practical—that in grade A or the first ~~made~~ there should

be no fiber less than an inch, and if there was much shoddy in it of the shorter fiber, they might get some an inch long, but as near as I can judge from the chemists who have testified here, in the best grades of wool this scale is so prominent and so pronounced that when the wool is made into shoddy the wear and the acids used on it will necessarily take off some of the scales, and it would not be very much trouble, if I interpret the evidence right, to distinguish; it is when you come to the coarser wool that frequently it does not have many scales. The one that we use on the range we call a full blood, and that is the whole basis of these figures, based on the Merino sheep. The wool that comes from a Merino would mean three-eighths Merino and five-eighths coarse bred. That is the way we use it on the range. You take a well-bred Merino and a well-bred one of the coarser breeds, and breed those sheep, it does not mean that the offspring will be one-half blood on the wool proposition, sometimes they will breed a shade more to the coarse bred or three-eighths Merino, especially if it is a well-bred Merino.

There is no intention and no desire that shoddy shall be cut out, but that it shall be sold for what it is exactly. We expect sooner or later to get a bill of this kind through. We might not get it through this time. As I remember, the Housewives League is going to work nine years. We do not expect to work that long. There is an immense demand for this. When a Member of Congress is not able to wear good, decent clothes, and has to wear patched clothes, it shows that there is a demand. Whether this will increase the price of wool, I doubt very much. I doubt very much whether there is anything in the present condition that will increase the price much. There is such fluctuation in the price, without rhyme or reason, that it is impossible to tell what will help and what will not. We sold wool when the tariff in Schedule K was on, and we sold it at less than the tariff, A-1 Merino wool at less than the tariff. That looks like it was impossible, but with the tariff still in force we sold wool as low as 6 cents a pound. We thought that at 10 cents we would get so rich that we would not know what to do with the money, but we absolutely sold A-1 Merino wool for 6 cents a pound.

Mr. SIMS. Is the Merino sheep used for mutton at all?

Dr. WILSON. Yes, sir.

Mr. SIMS. They have a mutton value?

Dr. WILSON. Yes, sir, and we could not get along unless we did have the mutton value, but the former Merino sheep of Vermont were very heavy shearers and one of the best things to improve the sheep, especially in the South and Southwest where there is a lot of nondescript sheep, and the little fellows from Vermont have a great deal of wool on them, and so they get a lot of fine character of wool besides.

Then, we have wool with shoddy and cotton. I used to turn the crank that wound it into yanks, and I recollect after we got that done the cotton was woven into goods. As a boy, I used to slide on the ice without any other covering than these breeches. We always had to make one pair last a long time. I used to walk four miles to the school in eastern Ohio. We had some bad weather, but I went through this for six months, walking four miles every day, with no overcoat—only homemade clothes out of virgin wool.

This bill will not lessen the amount of clothing, but it will let you know what you are getting, and this wool that the Government has, some millions of pounds, it has been suggested that we give it to Germany; that is my idea. They have the stuff to work it up and they need it badly. We had 5,000,000 barrels of flour which the Government owned and could not sell to anybody in America, and the other day, I think—I do not know that there was a law—

The CHAIRMAN (interposing). The House passed a resolution.

Dr. WILSON. You passed a resolution permitting this flour to go to Germany.

Mr. SIMS. Furnish that wool to Germany?

Dr. WILSON. Yes, sir. It is not much good, and it would be better if we could get it out of this country. Mr. Clark said to me that they might ship it back and if they did we could refuse to let it in. We had 5,000,000 barrels of flour which were shipped.

Mr. SIMS. But not to Germany?

Dr. WILSON. It went to Poland and other countries. Germany is raising pure hell and so if we could do something to pacify her it might be advisable.

Mr. SIMS. Shoddy would not pacify anybody's nerves.

Mr. STINESS. Why send it to Germany when England is trading with her?

Dr. WILSON. I saw by the paper that she is trying to keep us out by an entry fee or something of that kind for the relief supplies.

Mr. STINESS. Are the noils imported into this country?

Dr. WILSON. I think they are.

Mr. STINESS. Why not clean the wool over there rather than ship it here?

Dr. WILSON. I can not tell you. The cheapest wool to-day in the world is the coarse bred wool in the United States. The markets are changing back and forth, but my understanding has been that it was cheaper possibly than in London.

Mr. STINESS. As I understood the other day some witness testified that only 20 per cent of the wool was left after the noils had been cleaned?

Dr. WILSON. The noil, as I understand, is a by-product.

Mr. CLARK. It is just the other way. Twenty per cent noil, and all the balance is long staple cotton.

Mr. STINESS. I did not understand it that way.

Dr. WILSON. I think that there could be written into this bill, without much trouble, an arrangement that wool less than a quarter of an inch or, if necessary, half an inch, should not be made into fabrics for wear; but made into felts and things of that kind, hats. You know they squeeze anything into hats, whether fiber or not.

As to the difficulty of enforcing this bill, I can not state, but I know this, that the morale of the business is so much higher than it has been heretofore that with men of the stripe of the men we have here, I would be perfectly willing to take their statement as to what they put into the wool. I could not help overhearing some remarks, and I heard one of the gentlemen say, "What would you do with so and so," mentioning a name, and the remark was made, "There are very few men in the fabric business like that man." You will have more or less of that to correct, I do not know, but it is not going to take a great deal.

One thing I am pleased with is that it will create no bureau, because I am absolutely opposed to bureaus. I think that Members of Congress have the ability themselves and that it is their right and the right of the people who send you here, in fact, that you make the laws and do not pass the "buck" to the other fellow. As a matter of fact, you turn this over to the Secretary of the Treasury, to the Secretary of Commerce, and I do not know what.

The CHAIRMAN. The Secretary of Agriculture.

Dr. WILSON. Yes; the Secretary of Agriculture. These Secretaries are to arrange that. Before these men are ready to send in their report, after a while, somebody will get a suit of clothes that does not wear good and he will go back to his dealer and the dealer will naturally fall back on the mill, and you will get a thorough examination of that mill. I do not believe that it will be necessary to harass these men with any rules or regulations or anything of that kind that will interfere with their legitimate business. They will get the ingredients just the same as a physician does by a prescription, and they will find in some districts that there was something wrong with the prescription. I have had one or two cases of that kind in my railroad service in the West, where the prescription was absolutely all right, but the man filled it wrong, because there was not any trouble in telling that. If a physician puts in a prescription carelessly and the combination of the drugs will form a poison, then the physician is to blame and the prescription will show the whole thing. These men buy certain goods. These men do not buy hairs. They would not know what kind of hair it was, but their statement would be enough to convict or not to convict, when there was any question raised.

Mr. BARKLEY. There are not very many prescriptions written that the patient can understand.

Dr. WILSON. But when they get into that situation they always get an interpreter. Some of them the physician can not read himself after they are written, but the druggist generally gets at it.

Mr. SIMS. And the prescriptions remain on file?

Dr. WILSON. Yes; they remain on file.

I recollect being at a meeting in Washington in November, 1918. Mr. Clark was there, and, as usual, he was finest. In that meeting there were several things that were discussed. There was one in regard to what the Government should do with this wool, and we talked over the next year's clip, and then the armistice was signed and the wool was not taken over. I know that the retail clothiers were very anxious to have the wool taken over so as not to reduce the price, and I think it was the secretary of the retail clothiers' association who went on and said what goods they had and that the goods for next spring were under a continuing contract, and he said, "If something is not done, we will take and cancel your orders for next spring delivery," and he was asked by some one what the character of the goods was which they had been selling the past summer—that is, the summer of 1918—and he said, "Fair," and they said, "What is the character of the goods that you are making for next spring delivery?" and he said, "Rotten, absolutely rotten." That is the evidence, and it is a matter, of course, which is in the record taken at that meeting. I think the secretary of the retail clothiers' association made that statement.

Mr. CLARK. Do you know why the goods were so poor?

Dr. WILSON. Yes, sir; I think I do. I think you told me the other day, because the Government would not let the manufacturers have any good wool, and they had to take anything.

Mr. CLARK. The Government controlled the wool market, and the manufacturers could not get any of the Government wool; they had to take what they had on hand or what they could pick up anywhere.

Dr. WILSON. And in consequence of this, when they used shoddy or other material the goods were absolutely rotten.

Mr. SIMS. Did they cancel the orders?

Dr. WILSON. No; I think there was some influence brought to bear to prevent that. There were several retail clothiers who were to come here and testify, but they suddenly had a change of heart. What was the cause I do not know.

Mr. SIMS. The people are wearing those clothes?

Dr. WILSON. They would not last long; they have to get new suits. That is the reason they are buying this high-grade stuff. The question has been asked whether there is any demand from people for this class of wool. Certainly there is. Take out West. A man will get a suit of clothes and it will go to pieces, and the first thing he says is "The damn thing was just shoddy." They charge it to the shoddy or to the hair, or whatever it is. Take the Cleveland mills. Those men have to have a certain quality of wool or it hurts their trade. I find them in arrangement with the woolgrowers.

There is business that is done with these gentlemen direct. They can get it easier off of the dealers, although the worsted mills at Cleveland buy a great deal of stuff. They have a man out in the West. He goes around and looks at the wool, and he will send back, say, 150 or 200 pounds of grease wool, and the Cleveland mills scour and clean it, and they send him back to bid for it. They buy a lot of wool that way not from the dealers, but right direct, and this party gets a commission of a quarter or a half a cent, or whatever it is. When I am talking about these wool dealers, it reminds me of a story. There were three white boys and one colored boy who went possum hunting. When they came back, they had three possums. The white boys took the three possums. Some one asked the little darky what he got, and he said "We four have been in cahoots, and the white boys get the possums and I get the cahoots." What the woolgrowers generally get in the business is the cahoots in the West; we have never gotten any possum.

At the time of the meeting of the woolmen from Wyoming and other States in the West to try to fix the price of wool, we were told that we would not have to come to a conclusion that day, but the next day we were told that we would have to whether we wanted to or not. Other things were not in line with wool. The price fixed on wool—wool was higher then—was headed for \$1 a pound. There is no question about that—the price being fixed on wool—it was quite a little below the market, but it was fixed.

I want to read some resolutions adopted by various associations.

I will not read the one in regard to the Farmers' Alliance, because their own people will explain that.

The first resolution I have here is from the National Wool Growers' Association at their annual meeting in Salt Lake City, Utah, January 20-22, 1920. Last year the association did not meet because of the

flu. They fixed the date, but when it arrived the flu was bad^{so} that they could not get them together and they changed it from that date to another, but when that date arrived they found the same condition.

This organization comprises the following States: Texas, Arizona, Washington, Nevada, California, Idaho, New Mexico, Utah, Nebraska, Wyoming, Oregon, Montana, South Dakota, Colorado, Kansas, and Oklahoma. I want to say this, that in many of those States the terms "sheep man" and "cow man" have been practically obliterated. Some of the best cow men have gone into sheep and in other States some of the sheep men, to protect themselves, have gone into cattle, owing to the condition of the cattle market. I know that this is foreign to the matter under discussion. Some of the big cattlemen in Arizona who never owned any sheep are trying to get rid of their cattle and go into sheep. Many stockmen interested in both have lost and will lose from \$25 to \$50 a head on fed cattle, and they are trying to save what they can out of the deal by going into sheep.

Their resolution was:

Whereas a large part of the raw material used in the manufacture of woollen fabric and apparel sold as "all wool," is shoddy and substitutes, and not virgin wool: Now, therefore, be it

Resolved, That we, the National Wool Growers' Association, earnestly urge the protection of both the public and the woolgrowers of this country, that the Congress of the United States shall at the earliest possible moment enact legislation making it compulsory to make known the presence of substitutes for virgin wool, especially shoddy, and substitutes in fabric purporting to contain wool, and apparel made from such fabrics.

I will also say that the Arizona Cattle Growers' Association passed practically the same resolution, only cutting out the words "earnestly urge the protection of both the public and the woolgrowers of this country"; they left woolgrowers out. They wanted the public protected, but were not very particular whether the woolgrowers were protected or not.

The Washington State Wool Growers' Association passed a resolution in the same way. All of these, however, are a little different.

The Wyoming Wool Growers' Association resolution is:

Be it resolved, That we place our organization squarely behind the "Truth in fabric bill" and that we urge our delegation in Congress to support this measure. Further, that we urge the National Wool Growers' Association to take strong action favoring this movement.

The American National Live Stock Association at its annual convention in Spokane, Wash., January 29, 1920—this organization is composed mostly of cattle men; it includes all the States of the Union west of the Mississippi River and is especially strong in Texas and the Southwest—that association passed a resolution similar to the one that I read which was passed by the National Wool Growers' Association, as it has a great many Wool Growers' Association members in it. The American National Wool Growers' Association is 55 years old and the American National Live Stock Association is, I think, 23 years old. Those two associations have at least 100,000 members. The National Wool Growers' Association contributed something over \$20,000 toward buying woollen blankets for the Red Cross, and \$11,500 to the Harry Lauder Building and Hospital for crippled Scotch soldiers.

The Big Horn Basin Wool Growers' Association passed a resolution to the same effect. That is the association that Mr. Pearson is

the president of; an association of probably five or six counties—in fact, larger than some Eastern States. They passed a similar resolution.

Here is a trade-mark of the Scottish Woolen Association. It reads:

Toward better clothes. With the coming of spring, a call for better clothes can confidently be expected. Five years' shortage of food wool threw into the market material that neither looked well nor wore well; but now that pure new wool is once more available, men and women who care for their appearance will not be satisfied with anything under the best.

The demand for new and better clothing already exists, and the coming season will be a prosperous one for tailors and costumers who have a good supply of material that can be depended on for suits, costumes, and overcoats. Such a material is genuine Scotch tweed, stamped with the trade-mark reproduced above.

This trade-mark has been registered by the Scottish Woolen Trade-Mark Association (with the sanction and approval of the board of trade) under conditions which require that all material so stamped shall be "manufactured in Scotland of pure new wool, free from cotton or other vegetable fiber, shoddy, mungo thread waste, or any other remanufactured wool."

It goes on to say that the trade-mark must guarantee this condition or else, I think, they have a bill something like one of the bills here for misbranding that makes them liable, and then they say:

And the association has already placed contracts for space to the value of £19,443 11s. 9d. The campaign will begin with a full front page in the Daily Mail on February 5.

Now, if the manufacturers of wool in Scotland can afford not to manufacture anything but pure virgin wool and to advertise it as such and put their stamp on to guarantee it, these gentlemen who are here are wasting time, because they never use shoddy wool, and they ought to let the shoddy men come down and take their places; we would rather talk to the shoddy men.

Mr. MERRITT. There is nothing to prevent the American manufacturers from doing that if they want to?

Dr. WILSON. Not a thing on earth.

Mr. MERRITT. These men have been doing it because they have to do it?

Dr. WILSON. Because it is good business.

Mr. MERRITT. If you want to convince the American manufacturers that they ought to do it, all right, but why make them do it?

Dr. WILSON. For good business reasons and for honesty.

Mr. MERRITT. They claim that 60 per cent of all the cloth that is made in this country now is made out of virgin wool?

Dr. WILSON. I think not; I doubt it.

Mr. MERRITT. The testimony shows that?

Dr. WILSON. The figures that they have here; they claim that they get the figures from the Bureau of Markets—

Mr. CLARK (interposing). The census.

Dr. WILSON. They do not bear out that contention at all.

Mr. MERRITT. You believe that worsted can be made out of something else besides virgin wool?

Dr. WILSON. I had this book which the stenographer took away. I want to tell you this—whether it was virgin wool or not, I do not know—worsted goods of so many yards; they put the yardage in square yards. Men's goods are generally 54 inches. A square yard of cloth that the figures are in means a yard and a half. As it is sold it is 54 inches. A linear yard is 36 inches, and it would make just exactly one and a half square yards. The figures are given in square

yards. I want to illustrate this. Woolen suitings, overcoatings, and dress goods—these are 1914 figures—there were 74,220,000 square yards of woolen goods of \$45,444,000 fair value—I do not know whether this was the wholesale value—and of worsted suiting, overcoatings, and dress goods there were 219,912,000 square yards valued at \$139,641,000. I figure those on the basis of square yards, first, and then on the linear yards, as the chemist said. That would be 63 cents a square yard, and then you would add one-half of 63 cents to the 63 cents to get the price of the linear yard, which would be less than \$1. Worsted goods are as high as other fabrics. Of course, I was astounded with the figure. So for the half a cent a square yard that would be three-quarters of a cent a linear yard. That is found on page 20 of this pamphlet.

Mr. CLARK. You can not make any deduction from those figures as to the value of a yard?

Dr. WILSON. One is worsted and the other woolen, and they are very close together.

Mr. CLARK. As a matter of fact, the woolen goods are very much heavier in weight.

Dr. WILSON. The worsted suit of clothes under that condition would cost about the same as woolen goods.

Mr. CLARK. You can not draw any deduction from those figures.

Dr. WILSON. I take it from this that it would require an expert to even guess at it.

Mr. CLARK. The variety of the product is so great, there is a variety in weight, and a variety in quality. They reduce them all to the square yard, because woollens and worsted are not only made in 54 inches, but they are made in 27 and 30 inches.

Mr. JONES. The cloth for men is made in 54 inches?

Mr. CLARK. Men's cloth is largely made 54 and 56 inches wide.

Dr. WILSON. The entire woolen and worsted goods are practically sold at the same price.

Mr. MERRITT. If that indicates anything it is that the worsted does not have much in it?

Dr. WILSON. Either that or the other had something wrong; I take it either way.

Mr. MERRITT. Those figures show that the worsted goods, including those of worsted and those of cotton, are in yardage 60 per cent of the total product.

Dr. WILSON. That is absolutely virgin wool.

Mr. MERRITT. Yes, sir.

Dr. WILSON. Of the worsted there is cotton in it, some.

Mr. MERRITT. Cotton warp?

Dr. WILSON. It might be a very negligible amount of shoddy and in some of the cases it is so small that you can not see it. They are using some cotton with the chains as we used to call them, and nobody objects to that, if they show it. I asked the question if it would hurt them to make a division of this kind in the wool that they are using. When the question was asked about hair they did not even know what hair was, yet in one place they used 28,000,000 pounds in 1914.

Mr. CLARK. That is a more expensive hair, a good deal better than virgin wool.

Dr. WILSON. Mohair; I do not know. It simply says what it is. You know whether you put the fiber in.

Mr. CLARK. That would come in under virgin wool, mohair, camels hair, alpaca, and vicuna make very expensive goods.

Dr. WILSON. They do not know that. They simply want those goods labeled.

Mr. CLARK. They would be virgin wool under the French bill.

Dr. WILSON. The French bill, I do not know that Mr. French claims that it is absolutely perfect. All other bills of like importance that come before the committee are subject, at least, to revision or there would be no need of the committee sitting, and after the committee gets through, if there are any defects of that kind, I think this committee is competent to find them. You may rest assured of one thing, this thing has been started, it has been in Congress for several years off and on, but it has started for keeps. The people are beginning to realize that there is something wrong with the fabric trade. Men who take and put up the pure wool and sell those goods in competition with the shoddy manufacturers that have not good business morale, they have to compete with those and why they should be here objecting when there is nothing in the law that would affect them any more than this, that they would get the value of their new goods, I can not understand.

Mr. CLARK. We object because it does not tell the consumer anything.

Dr. WILSON. We are very glad that you will take such good care of the consumer, because we are consumers ourselves, but we are producers just the same. If you take real good care of the consumers we will all be satisfied. It does not tell him the particular grade of virgin wool, but it tells him there is virgin wool in it, and if we can get rid of this and then strengthen the bill, put in a clause that no wool, virgin or otherwise, of less than a certain stability shall be woven into the fabrics that are to be worn by the people, would not that be of value?

Mr. CLARK. Not at all.

Dr. WILSON. I take it that a good many people in Washington—

The CHAIRMAN (interposing). That is a matter of contention and the committee will have to work that out.

Dr. WILSON. All right. I do not want you to cut out one thing, that is no shoddy that is the result of cleaning up from other fiber that is as good as the original virgin wool from which it came.

Mr. WINSLOW. Are you willing to couple with that statement that there is shoddy better than some virgin wool?

Dr. WILSON. Absolutely; but there is none as good as the virgin wool from which the shoddy came.

Mr. CLARK. We agree with you.

Dr. WILSON. I know that one reason of complaint is that every time virgin wool or shoddy is submitted to these baths of acids to eat up and clean the other things it certainly tends to deteriorate the fiber.

Mr. JONES. At least that is conservation?

Dr. WILSON. Absolutely. We want the fiber used, we want it used as long as they can use it; we are not complaining of that.

Mr. SIMS. Doctor, Mr. Clark says that the French bill does not furnish the consumer with the information that it is necessary for him to

have in order to protect himself. If that is true, is it not more than likely that the manufacturers know better what to put in the bill to inform the consumer of what he is buying than anyone else?

Dr. WILSON. Certainly, they would.

Mr. SIMS. I feel that they should be perfectly willing to accept any amendment suggested that would give the consumer the information necessary to protect himself.

Dr. WILSON. And put it on a clear basis.

Mr. SIMS. Then, that would enable the consumer to protect himself and is not that what the consuming trade is entitled to?

Dr. WILSON. Yes, sir.

Mr. WHITMAN. Dr. Wilson has spoken of this coat, which he says has given him such excellent wear. I understand from the experts from the department that nobody can tell whether that coat has shoddy in it or not. It is not chemically possible, and it is not definitely possible to tell by microcopic test. I can say, however, that that is the kind of cloth in which shoddy is used, as a rule, and the probability is that shoddy was used in this coat without my knowing anything about it, because that is the kind of cloth in which shoddy is used, and shoddy can be used in that kind of cloth to produce just as good results as he speaks of. At the same time, cloth of that kind can be made of virgin wool without producing anything like the wear that this coat has. I should like to have an expression from Dr. Wilson as to whether it would have been any benefit to him in buying that coat if it had a mark on the back of it, "40 per cent shoddy," we will say, or "100 per cent virgin wool"?

Dr. WILSON. I think it would.

Mr. WHITMAN. At any rate, would you have chosen it if you had depended on the label?

Dr. WILSON. If I had depended on the label and the shoddy had sold at a proportionate price, I would have taken the virgin wool, and if the virgin wool was clearly in excess of the shoddy.

Mr. WHITMAN. You would know whether it was clearly in excess?

Dr. WILSON. The price?

Mr. WHITMAN. The price for a very high-grade virgin-wool coat. But the price, whether for a shoddy or a low-grade virgin-wool coat, would be commensurate with its intrinsic value.

Dr. WILSON. But it would not wear as well.

Mr. WHITMAN. No; if you lessened the shoddy, in that case, then, it might be equal, possibly, to the virgin wool, which was sold at a high price because it was labeled "virgin wool," when in point there may have been some virgin wool of low grade, and, say, 40 per cent of very high grade virgin wool. What value would that be to you when you get down to the French bill? That is the thing we are discussing.

Dr. WILSON. Yes; we are discussing the French bill with the possibility of having it perfected.

Mr. WHITMAN. Allright, with the possibility of having it perfected, but at the present moment it provides for marking it "shoddy" or "virgin wool." Differentiating between the two in that particular case, what value is it to know whether it was virgin wool or shoddy that went into that coat? That is all you would know under the French bill.

Dr. WILSON. We can amend the French bill.

Mr. WHITMAN. I should like to get an expression from you as to whether it gives you any value outside of that?

Dr. WILSON. I think so.

Mr. WHITMAN. What value?

Dr. WILSON. Being virgin wool, it would naturally be better.

Mr. WHITMAN. But it is not better in the case I have spoken of.

Dr. WILSON. That case would be an isolated case; we want to take a general case.

Mr. WHITMAN. It is not an isolated case at all; it is an absolute everyday occurrence. Coats are made of high grade and low grade virgin wool. A coat made of shoddy without virgin wool is far better, wears better, and has a better appearance and is warmer, and from every point of view the overcoat is better, than a coat 100 per cent virgin wool of low grade. That is not an isolated case, but occurs right straight along.

Dr. WILSON. But you have thrown on the Government, the necessity of getting rid of that in some way.

Mr. WHITMAN. That is not enough to affect the situation.

Dr. WILSON. It is a whole lot.

Mr. WHITMAN. Yes; there is a lot.

Dr. WILSON. It is an enormous amount.

Mr. WHITMAN. The weak fiber that you spoke of are also virgin wool.

Dr. WILSON. They sell them at a better price. Virgin wool is a strong fiber.

Mr. WHITMAN. I am talking about a definite fabric marked 100 per cent virgin wool and one marked 40 per cent shoddy, wherein does that mere information furnish the least guide to you as to the finished cloth?

Dr. WILSON. The amount of the bad wool is so infinitesimal compared to the virgin wool that you could throw it out.

Mr. WHITMAN. I must differ with you. It is not infinitesimal. These low-grade cloths are made of low-grade virgin wool fiber.

Dr. WILSON. That is a low-grade cloth?

Mr. WHITMAN. No; that looks like high-grade cloth. I can not say anything about what is in it because nobody can tell to-day what it is, and it might just as well be made with shoddy as without shoddy. I can tell from feeling that it is high-grade cloth.

Dr. WILSON. You can see from the label in the pocket that it was made in 1905.

Mr. WHITMAN. Yes. My contention is that if the cloth is marked 100 per cent virgin wool that in itself would be merely a false guide to you, and there would be in a great many cases a contrary judgment of experts.

Dr. WILSON. That is what they call a melton?

Mr. WHITMAN. Yes; one of the cloths that shoddy goes into.

Dr. WILSON. That coat cost \$80. I did not pay it.

Mr. WHITMAN. It might well cost that and still contain shoddy.

Dr. WILSON. The goods are not sold on their merits?

Mr. WHITMAN. The finished goods sell on their merit. A statement as to whether it is virgin wool or shoddy is absolutely no guide. You were stating that the information would have to be furnished if the bill was perfected. You can manufacture high-grade cloth out of comparatively low-grade virgin wool, if you use a proper mixture of

the corser grades of wool for strength. The soft and more tender fibers are used for finish. You can produce a very high-grade quality to be sold at a high price, but still the cloth in itself may have no wear at all. It may not be made for durability; it may be made for style and for the particular feel that is desired. As to the value of the finished material, the label would furnish no information. You would have to know the construction of the cloth, its weight and character, and the different details; and even if an expert manufacturer had all of those details laid before him he would probably not be able to judge or to estimate what that weave would result in and what that formula would result in if perfected.

Dr. WILSON. Do I understand you to say that a manufacturer manufacturing cloth when he undertakes to manufacture cloth of a certain kind for the Army under specifications, that he can not make a mixture that would bring out the values?

Mr. WHITMAN. Certainly they could. That is why they have their experts. A man who has been in the business all his life can not tell, as a rule, from a formula what kind of cloth or just what value the cloth would have and what its wearing capacity would be.

Dr. WILSON. Not even if he was a great expert?

Mr. WHITMAN. He might be able to make a formula and that sort of thing and then could, of course, work out a certain grade:

Dr. WILSON. Very closely?

Mr. WHITMAN. Approximately, and then only after years of study and after a lifetime of devotion to the industry.

Dr. WILSON. They can take the specifications for the Army and get the results?

Mr. WHITMAN. There have been specifications made to cover that.

Dr. WILSON. Possibly there were some that would cover the general idea. There was a gentleman here, a Mr. Walker, who is also a manufacturer. He has a suit of clothes and refuses to tell what it is. He has only had the suit a sort time. He said it cost over \$100. These men themselves can not tell.

Mr. CLARK. I will tell you what I do in buying a suit. Being a manufacturer of woollen fabrics, naturally my judgment is pretty good as to the quality of the fabric from simply feeling and looking at it, but I do not permit myself to be guided by that. I take a sample of the cloth that is shown me and of which I like the design, and have my designer dissect it and tell me the number of threads to the inch in the warp and in the filling, whether the yarn is single or double twisted and I get all of that information before I decide whether to buy the suit that I like the design of, although my judgment is pretty good without that.

Dr. WILSON. Once in a while you can see where the shoddy is broken.

Mr. WHITMAN. This suit?

Dr. WILSON. No, sir.

Mr. WHITMAN. Is it worsted or woollen?

Dr. WILSON. I do not know, but it is high priced.

Mr. WHITMAN. You have no means of knowing whether it contains shoddy or not?

Dr. WILSON. It is breaking here [indicating].

Mr. WHITMAN. That might be equally true with virgin wool.

Dr. WILSON. Yes, sir. That shows that pure virgin wool is selling at this price.

Mr. WHITMAN. It would sell at a higher price if labeled.

The CHAIRMAN. Dr. Wilson, you have already occupied an hour.

Dr. WILSON. There is just one thing and then I will quit.

I have here an advertisement of Nelson, Ogilvy & Co. (Ltd.), Edinburgh, under the heading "Why we entered the woollen business," and they go on to state that they think it is a good business and that they will "deal exclusively in goods which we can guarantee to consist of pure, virgin wool, free from cotton, shoddy, or respun yarn."

I have some letters that I received in regard to the article in the paper, but the gentleman disclaims anything to do with the article in the paper and that he read the first part before he read the last part. Mr. Clark, I think, sustains that part of the document, but he would not sustain the last half.

Mr. CLARK. I said that you could tell what was put in, in making the material blend, but the various materials shrink by a different percentage in the many processes through to the finished goods, and that in the finished goods the percentage is not the same as in the original blend.

The CHAIRMAN. Mr. Davisson has been here for several days and would like to have a few moments, and probably we can finish his testimony this morning.

Mr. WHITMAN. In regard to the American Association of Worsted and Woolen Manufacturers, the gentleman who wrote this letter, his name was presented to our organization as possibly a man who might be of assistance to us. His assistance was declined without any consideration.

The CHAIRMAN. We will now hear Mr. Atkeson.

STATEMENT OF MR. T. C. ATKESON, REPRESENTING THE NATIONAL GRANGE, 303 SEVENTH STREET NW., WASHINGTON, D. C.

Mr. ATKESON. Mr. Chairman and gentlemen of the committee, more than 40 years ago the organization of farmers which I have the great pleasure of representing to-day and which I have represented on many occasions before other congressional committees, passed some very strong resolutions condemning the use of shoddy. The first use of this commodity, at least in any general way, in this country was during the Civil War. I am willing to confess that I am old enough that I have lived through that period. Among the charges of high crimes and misdemeanors on the part of some people at the close of the Civil War or during its continuance, in fact, was the charge that certain manufacturers in this country had perpetrated a fraud on the Government in manufacturing uniforms worn by the Union soldiers during that sanguinary strife. Webster defines shoddy as wool of old woollen fabrics torn to pieces and remade, with an admixture of fresh wool into new cloth. Then, when used as an adjective, it indicates that shoddy is not genuine and is a sham. Our organization has always been opposed to shams of any kind or to any deception of the purchasers of any kind of a commodity, and when some of our people drank something stronger than

tea and buttermilk they wanted to know that it was not adulterated and that they were getting what they paid for. I am not surprised that our shoddy friends object to using the term "shoddy." They know and everybody else knows that it is not genuine and is a sham. They seem to be anxious to find some other name for it, very much as a colored woman that I happened to be acquainted with soon after the institution of slavery was abolished, when her employer referred to her as a negro, she resented it very indignantly and said, that she would give her to understand that she was "a dark-skinned white lady." Any effort to put off on the unsuspecting public by manufacturers of anything, something that is not genuine and is not what it is represented to be is, to say the least, reprehensible and of doubtful morals.

Now, it has been contended—I might say that I have not heard all the statements made before this committee—it has been contended that some shoddy is better than some wool. I presume no one wishes to dispute that proposition. I think it is generally admitted that some oleomargarine is better than some butter, and I am sure that I would prefer to eat some oleomargarine to some butter that I have seen, but I have never had much trouble in distinguishing between good butter and bad, and if I did not want to buy bad butter and wanted to buy good oleomargarine, it ought to be my privilege to select the substitute rather than to have it sold to me and consumed by me unknowing the thing that I was eating. It seems to me that is only good morals and good policy.

I want to spend just a few minutes in presenting a view connected with this proposition that I think is probably from a different angle from which the matter has been considered at all. If shoddy is as good as wool, there is not likely to be much objection on the part of the manufacturers of woolen goods to calling it by its own name, so that nobody would be misled, but I am pretty well satisfied, because of the economic conditions existing in the country, that while we might have to pay more for our clothing it would not be a calamity if there were no shoddy in existence or if it were not permitted to be used at all as a substitute for wool. The reason I say that is manifest from the statistics of the Agriculture Department, showing a decline in the sheep industry of this country in the last 10 years of more than 4,000,000 sheep. That is, we have more than 4,000,000 sheep less in America to-day than we had 10 years ago. Consequently we have less wool. The farmers or sheep breeders secured for the wool last year an average price of 51 cents a pound, according to the statement of the Agriculture Department.

Mr. SIMS. Is that in the grease, 51 cents a pound?

Mr. ATKESON. As it came off the sheep. I saw some samples here, some as high as \$2.40. Ordinarily in the washed wool they lose about half, more or less, dependent on how much dirt is in it. We will assume that the average of virgin wool is \$2 a pound, if you wish, and that it takes 4 pounds of this wool to make a suit of high-class clothing. You then have at the very most \$8 worth of wool, about \$2 worth of wool at the average price the woolgrowers get, or, we will say, a total of a little over a dollar a pound. That is what the woolgrowers get for the scoured wool or something like that on the average. I undertook to buy a suit of clothes last fall in this city and hunted up a good many samples, and the samples of the cloth ran from \$65

up to \$135 per suit. If the wool cost \$8 in the \$135 suit of clothes, then \$128 represented something else in the suit of clothes besides wool. On the average the cost of the wool in that suit of clothes is about \$4 or \$5, dependent on the quality. There is something more important than wool, at least more valuable apparently, that goes into the clothing than the wool that the sheep breeder grows.

We have heard a good deal lately about agricultural conditions in the country. Yesterday morning's Washington Post carried an editorial, which I will not read, dealing with that problem.

The Agriculture Department recently gave out some figures that bear very closely on the question of the wool production of this country, and it is that I want to call your attention to, but not at any great length. It says:

The extent and importance of the movement away from the hill farms is shown by some of the letters received by Mr. Shepard. Thus a reporter in the Finger Lake region writes: "One must recall the time a few years ago when the farms on the hills were prosperous, well tilled and occupied, but to-day all is changed. I counted about 20 unoccupied houses within a radius of a few miles, and many acres here in Schuyler County have been left untilled the past five years. Every year more people have left. During this past year every younger man who worked or hired to some farmer has left to work in town."

There are a multitude of these statements made by farmers. This was up in New York.

Another circular sent out by the Department of Agriculture says:

The discouragement that exists among farmers in the less prosperous farming districts is well shown by their letters. A farmer in a stony clay section close to the St. Lawrence River was so discouraged that he wrote: "Conditions are getting worse every day on the farms. We can no longer get any good help. Lots of farmers are getting discouraged. One of my neighbors just sold his farm with good buildings all complete, 210 acres, for \$5,000. He is moving off and no one going on. Unless we can get help on the farms there will be a famine in this country within three years. I am going to try it just one more year."

Mr. SIMS. Where was the farm sold?

Mr. ATKESON. That is contained in a circular sent out by the Agricultural Department.

Mr. SIMS. In what State?

Mr. ATKESON. New York.

Another statement sent out by the Department of Agriculture shows that the number of sheep in Argentina has been more than doubled in the last two years. In my own State of West Virginia we have in round numbers about 15,000,000 acres, and we can work comfortably about 5,000,000 acres and without comfort 5,000,000 more and the other 5,000,000 are covered with hills and mountains. I take it that the modern farm appliances can be used only on comparatively level land. Parts of this country, especially throughout the length of the Appalachian Mountain region, are being practically abandoned, because of the competition of machinery and other facilities for cultivating the more level land. These hill lands are now being abandoned because, if for no other reason, they are becoming less productive and less possible of fertility. In order to clothe and also feed the people of the country the lands should somehow be utilized, and there is no better way by which they can be utilized than to develop the sheep industry in the country. There seems to be a reason for the sheep industry of this country declining under

present economic conditions, and the reports of the Agricultural Department seem to substantiate that fact. Sheep not only produce wool out of which clothing is manufactured, but they also produce a wholesome meat product that it seems should not be lost sight of.

Mr. SIMS. How is the dog industry in West Virginia?

Mr. ATKESON. The dog industry?

Mr. SIMS. Yes, sir.

Mr. ATKESON. There is one county in my State where a few years ago they had 15 sheep and 1,500 dogs.

Mr. SIMS. You will have to do something to discourage the dog industry, because that accounts for the sheep industry in West Virginia and Tennessee amounting to nothing.

Mr. BARKLEY. I did not know that the dog was an industry; I thought it was a pest.

Mr. SIMS. From the sheep viewpoint I suppose it is.

Mr. ATKESON. I am not able to say that any of the bills pending are absolutely perfect. After having given as much study as I could to the French bill, it seems to more nearly meet the requirements of the situation.

There is one peculiar thing about this particular matter, and with this I will close my statement. So far as I know, every farmer organization in the United States is behind this proposition to guarantee to the purchasers of woolen goods that they get what they buy; that is, that they get a product manufactured entirely from virgin wool, or that they know what percentage of some other commodity enters into that fabric.

We believe that is fair and right to everybody. As I say, there has been a good deal of difference of opinion among various farm organizations, and we have a multitude of them, but on this question, so far as I know, we are absolutely agreed, and, so far as I know, every consumer except the manufacturer of woolen fabrics, is in favor of this protection against deception and fraud in the sale of woolen goods. I think every agricultural newspaper in the country is in favor of this proposition, and so far as I have seen every great daily newspaper, outside of some class publications, is in favor of this proposition. I feel perfectly sure that no proposition has ever come before a committee of Congress upon which there is such universal approval, except, of course, the people who are interested in manufacturing the goods.

I had something to do in years past in promoting the bill against the selling of oleomargarine as butter. There were people opposing that proposition who ate oleomargarine—I was surprised that that was true—but upon that question there never seemed to be the same degree of unanimity among the primary producers as there is among the wool growers and the ultimate consumer, who is the wearer of the product. As to whether it would increase the price of virgin wool clothing or not, I do not know, but if it decreased the use of shoddy it would increase the quantity of wool and to that extent at least encourage and promote the sheep industry of this country, which I believe is sound public policy. If we are willing to pay more for the virgin wool clothing, it seems to me that is entirely right and proper. I just wanted to say that much, gentlemen. I am through.

The CHAIRMAN. We are much obliged to you.

Is there any witness who can fill in the time between now and 12 o'clock?

Mr. FRENCH. Mr. Chairman, perhaps you might like to go over.

The CHAIRMAN. This afternoon Judge Sims and myself will be engaged in the conference on the water power bill, and as there will probably be some votes on the District bill this afternoon it may be wise not to have a meeting this afternoon, but to meet to-morrow morning at 10.30 o'clock. If there is any gentleman who desires 10 or 15 minutes, we will hear him now.

Mr. FRENCH. I think that Mr. Davisson might go on now.

The CHAIRMAN. Very well.

STATEMENT OF HON. F. B. DAVISSON, PRESIDENT WEST VIRGINIA SHEEP GROWERS' ASSOCIATION, BRIDGEPORT, W. VA.

Mr. DAVISSON. Mr. Chairman and gentlemen of the committee, I am the president of the West Virginia Sheep Growers' Association, and a farmer. I want to say that in one sense of the word I am a cattleman in sheep's clothing. You might ask how could that be, simply because I have not any sheep to-day on my farm. I have 62 cattle in my stable which, if I put them on the market in New York to-day, would lose me \$50 a head. I might say that I did keep sheep in the days of my youth. I want to say right here that in 1879 I was in Philadelphia with cattle and there was some sheepmen from the West—I do not know but what it was my friend who talked—had two carloads of sheep. They sold the sheep. The man stayed at the hotel at stockyard. I did not get acquainted with him. They hunted around to find the sheep owner from the West. They said that the sheep did not bring what the freight cost. That was in 1879. I do not know whether this was the man or not, but the man had left the town and did not pay his hotel bill. I guess it must have been an older man than you are. I sold my cattle along the yards of Philadelphia against the cattle from the ranges of the West. There were 150 carloads of range cattle selling for about 2.75 cents a pound. I sold my cattle at 3 cents, 4 carloads, and made \$24 and a white cow, and then lost the cow. That shows something of what was going on in 1879. In 1879, my brother and I bought 6,000 sheep in West Virginia. We did not ship the lambs then. There were 1,800 fat sheep in the 6,000 that we bought. We gave 2.75 cents a pound for the 6,000 sheep. The 1,800 fat sheep were shipped to Philadelphia to be sold.

We sold ewes to the farmers where they would take them, and some would not take them except in this way. They said: "We will take these sheep on shares. We will give you half the wool. That is, if you will give us half the wool and half of the lambs, we will put no money in it, but we will keep the sheep for you." Well, we put some sheep out there.

Gentlemen, I am glad I came here to this congressional school, I may call it, glad to meet you people, glad to meet the factory people. I am glad to meet the people who have been working our wool, glad to meet the people here who make the laws, the various laws which will be coming for you people to mediate about. I used to hear it said when I was a boy that "My head is kind of wool gathering to-day;

I just don't know about things; I will have to wait awhile." Now, we are all getting wool in our heads more and more, and shoddy as well. I never knew what shoddy was before, and I want my factory friends to take my overcoat there and look at it. This man here [indicating], I want him to tell you what is in this suit. I do not know. Now, you can meditate about that while I talk. If you factory people do not know, this man said that he could take virgin wool and make good goods out of it. I will tell you what comes in right there. Virgin wool may be of a very low hairy grade. They used to pick out what they called hairy wool in West Virginia and sold it at 5 cents a pound when they were getting 15 and 20 cents for other grades of wool. This man says he would use 60 per cent of virgin wool. Well, that is all good, as far as it goes, but what about the other 40 per cent? Where does it come in? Does it come in on the shoddy end of it or the other stuff that is worked in with it? According to this bill, the definition of shoddy is broad. There is hardly any end to it. Hair is mixed into it—dog hair. I have hair spoken of here, so many pounds of hair, but they did not say whether it was dog hair or cattle hair or horse hair or anything of that kind, but the stuff that is being worked into the goods is on our backs to-day. If any of you gentlemen here to-day were told that you could wear somebody else's suit, he would not touch it, because of the idea of wearing other people's clothes. According to the story, we do not know, I do not know, according to what I have heard, the route of the material that is in my overcoat and my clothes I have on me.

MR. WHITMAN. That went straight from the sheep's back. Has it worn you well?

MR. DAVISSON. I have worn it for one month. Why did it get slick there [indicating]?

MR. WHITMAN. It is pretty poor virgin wool.

MR. DAVISSON. I will tell you what happened to this. When I was getting ready to come here the other day my wife said: "I notice your breeches is busted." I said: "Well, they are." She said: "Let me sew them up." I threw them there [indicating], and my wife darned them right down the leg where they were busted. I put on my socks and got ready and I put these breeches on. I was bending over and tying my shoes and she said: "Your breeches is busted again. Take them off and let me sew them." I said: "I won't take them off." She said: "You won't go to Washington that way." And she made me take them off and she resewed them there [indicating].

MR. WHITMAN. That suit is 100 per cent virgin wool.

MR. DAVISSON. Now, I am big, you see, and it takes room for me.

MR. WHITMAN. What did the suit cost you, Mr. Davisson?

MR. DAVISSON. \$77. Now, how many pounds of wool is in that? They say the farmers are getting too much, that farmers are all prosperous and getting too much for their cattle and sheep and meat and wool. The consuming public—

MR. WHITMAN (interposing). I should think that is about 12 or 13 ounces to the yard. It would take about $3\frac{1}{2}$ yards or 4 yards to make a suit for you.

Mr. DAVISSON. How many dollars' worth of wool is in that?

Mr. WHITMAN. I could not tell you what that particular wool is worth. It is not a high-grade virgin wool. I would say possibly that wool is worth about \$1.50 a pound.

Mr. DAVISSON. You talk on until I get my overcoat.

The CHAIRMAN. You have a few minutes more.

Mr. DAVISSON. Now, the sheep is a peculiar animal. It will both feed and clothe us, men, do not forget that. The sheep is good to eat. I was here down at the Raleigh Hotel and ordered some lamb chops from the waiter. I looked at the bill of fare and I saw lamb chops, 50 cents. I said, "Well, how much is that?" The waiter said, "50 cents." I said, "How many bites in a lamb chop?" He said, "Well, it depends on how big your mouth is." I said to him, "Would one be enough for my breakfast?" He said, "No, sir; it would not." Well, I ordered four lamb chops down at the Raleigh for breakfast. This is sheep statistics from the breakfast table of the Raleigh Hotel. There is where I am stopping. I ate four lamb chops. I gnawed all the meat off of the ribs. There are the four stockings, the paper stockings that were on the ribs of the lamb-chops [indicating]. I bit into this with my mouth and there were 13 bites out of the four lamb chops that cost \$2. Now, these are facts. These are plain things. I ate four warm rolls and drank two cups of coffee, and I was not foundered—this was last Friday morning. I asked the waiter, "Are these mine? May I have these lamb chop stockings to take home to show my wife?" He said, "Oh, yes; take them with you, they are yours."

Now, we have a complaining public about our meats, and we have a complaining public about our clothing, and don't you forget, gentlemen, as to this bill, that this is not strictly a sheep man's bill. The sheep growers of America are not the only beneficiaries under this bill, but I will tell you the great army of consumers of America are the people who are more interested in this bill and it is more to them than to the sheep growers. As to our factory friends, we need them to run the business. This gentleman [indicating] said they would have to go out of business. I do not know how that was. Here is Mr. Silver, from West Virginia, and whom does he represent? He told you the other day whom he represented—the American Federation of Farm Bureaus. He belongs in West Virginia. He was raised in West Virginia. He was at Chicago. They have a committee of 52 in the National Federation of Farm Bureaus—have you not, Mr. Silver?

Mr. SILVER. Yes, sir.

Mr. DAVISSON. You are one of that membership?

Mr. SILVER. Yes, sir.

Mr. DAVISSON. He is the eastern representative of the American Federation of Farm Bureaus. Who are the Farm Bureau people? I am one of them, in Harrison County, W. Va. I was president of our farm bureau association for two years. I was in the legislature in 1915 when we created that law which hitched up with the Smith-Lever bill, a fine law. I live in Harrison County, where Senator Goff was raised, and where John W. Davis, another noted man, was born and raised. You have heard it said that West Virginia has produced as good wool as they did anywhere in the world. I heard a man say

that here, that our West Virginia wool took the premium at the World's Fair in St. Louis, and I think it has been stated that it took the premium in London. Now, who is satisfied with the present cost of things? I am not satisfied with the prices of things I ordered in Washington. I saw some strawberries the other day and I ordered some strawberries and cream. They brought me seven strawberries and maybe they figured seven days in the week and one strawberry for each day. That is the way it was.

As I said, the people must be fed and they must be clothed. Gentlemen, they are working on the Agricultural bill in the Senate and they are haggling about the appropriations, they want to cut them down. These gentlemen here will have to do with it before it is over. In West Virginia we created in 1915 a sanitation commission, and we have to do with the control of tuberculosis and the foot and mouth disease. The foot and mouth disease broke out in two counties of our State before I got away from there. West Virginia has been testing for tuberculosis and the Government put up some money for that purpose. West Virginia paid one-third, the county one-third, and the Government paid one-third. In my county we paid one-half and they paid one-half. They ran out of money and could not go any further. One hundred and thirty-five accredited herds are in our State, and the farmers have had their herds tested and they are very much pleased with it. More farmers want their dairy herds tested and it can not be done because the money has run out and they are haggling in Washington about the money for that purpose. I was talking to Mr. Mohler, the Chief of the Bureau of Animal Industry, and he said that \$25,000,000 worth of meat was lost through tuberculosis and other diseases among hogs and cattle.

It is an astounding situation. "Those are the mill people. They can not raise sheep, cattle, and hogs. It is their business to make the goods." Ours is a complaining Nation. There are more people in the world to-day unfed and underclothed than there ever was in the history of the world, I believe. Encourage production. That is the thing to do. It does not matter so much about how this thing is settled. We get into discussions here and a thing is brought out that may not suit us all, and there is more discussion.

The man I bought these clothes from, I have been buying clothes from for the past 55 years. Everything I have on I bought from this man. He lives in Clarksburg. I and my family have paid this man I do not know how much, and still I think I am licked. I talked to him about this bill before I came down here, and he said, "Go down there and help that thing go through. I do not know what I am buying any more, but I used to know." That is what a man tells me who sells the goods. If I was a factory man I will tell you what I would think. I would want to tell the customer who bought my goods just what he was getting, and I would fix it so that no other fellow could add a hitch to it after it left the factory. You do not know what the retail people will tell the consumer or anybody who wants to buy the goods. We can not all be experts. It is a every man to his business. It is all we can do to raise the cattle and the sheep. I do not know anything about this technical business, but I would not take \$500 or \$1,000 for what I have learned in attending these hearings before this committee and the information I have

gained along this line. That may sound strange, but that is the way I feel about it. Truth is a strong word in our civilization. I see they are going to have a meeting to-morrow evening—I was just reading it in the paper this morning—"Demands truth in advertising"—they are going to have a meeting to-morrow night and Mr. Meredith, our Secretary of Agriculture is going to give them a talk. I feel that when Mr. Meredith is behind a bill it is going to be pushed. Now, here comes a man who has been a Granger for 45 or 47 years, a tall slim fellow, and I asked him this morning, "If you are ever going to get fat, you ought to be doing it now. If you were fat like I am you would weigh something." He is not here now, I see.

The CHAIRMAN. Mr. Davisson, it is now 15 minutes after 12.

Mr. DAVISSON. Excuse me, I did not mean to take up so much time. Now, this bill is not a perfect bill by any means, but I am going to say this, that if it was for the sheep people, if all our clothes had to be made of virgin wool, I will tell you how that would work. That would cut out the shoddy and all this stuff they are using. It would be a sheep man's bill, and it would double the value of every sheep in America, according to my view of it. I read in the Washington papers yesterday that there has been evidence given here about the reworked wool, that it has been worked as many as eight times. Is that a lie or the truth?

Mr. CLARK. I think that would be a very great exaggeration.

Mr. DAVISSON. A certain man was buying uniform stuff for the Government and it had been delivered at a certain point and he turned back a lot of it, because it had to be 100 per cent. When it was turned back the fellow had to build a factory right there and rework it instead of sending it where it came from, because he could not ship it back. Is that a truth or an untruth?

Mr. CLARK. It is.

Mr. DAVISSON. Somebody wrote up something about our meetings here and I was very much interested in reading it. I made a speech at an agricultural college at Morgantown some time ago and they had a lady stenographer there and she worked hard. I noticed that. It is as hard for me to talk as it is for a stenographer to take it down. The fact of it is that I busted the shorthand, because when I got home they wrote me a letter and said, "Will you please repeat your speech? Our shorthand writer could not read it."

The CHAIRMAN. We will recess until to-morrow at half past 10.

(Thereupon at 12.20 o'clock p. m., the committee adjourned until to-morrow, Tuesday, March 30, 1920, at 10.30 o'clock a. m.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Tuesday, March 30, 1920.

The committee met at 10.30 o'clock a. m., Hon. John J. Esch (chairman), presiding.

The CHAIRMAN. Mr. French, who is your next witness?

Mr. FRENCH. Mr. Wilbur, of Ohio.

STATEMENT OF MR. GEORGE M. WILBUR, OF MARYSVILLE, OHIO, PRESIDENT OF THE UNION COUNTY FARM BUREAU, PRESIDENT OF THE UNION COUNTY SHEEP & WOOL GROWERS' ASSOCIATION, AND CHAIRMAN OF THE BOARD OF DIRECTORS OF THE OHIO SHEEP & WOOL GROWERS' ASSOCIATION (INC.).

Mr. WILBUR. My name is George M. Wilbur, of Marysville, Ohio; president of the Union County Farm Bureau, president of the Union County Sheep & Wool Growers' Association, and chairman of the board of directors of the Ohio Sheep & Wool Growers' Association (Inc.).

Mr. Chairman and gentlemen, I am not going to take up but little of your time. I will just recall a few things that may have been gone over here that I have jotted down. As I said, I am representing primarily the Ohio Sheep & Wool Growers' Association, numbering about 20,000 members, and we are asking that this bill be reported from this committee if for no other reason, gentlemen, than that it is a measure providing for common honesty. There is no question about this bill being reported by this committee at some time, it may not come from you people, but the influences will be so great for this measure, because of its honesty if for nothing else, that it will be reported from some committee at some time.

We claim that this bill is similar to and will provide the same things that our pure food and drug act provided. It is not intended in this bill that it will guarantee quality, but that it will guarantee what is represented to be in any fabric. Now, we buy on the farm food for cattle and fertilizer for land. These bags are marked and we know exactly what is in them, and it seems as though we ought to have a right to know what is in fabric that is on our backs. There is a tremendous feeling among the farmers of this country and among the people generally, and I have talked to them frequently myself, and as you will find out later, that people want to know what they are purchasing, no matter whether it may be wool or shoddy. These gentlemen claim that in many instances shoddy may be better than the virgin wool, and while that may be so, the people want to know what it is, and that will satisfy them.

Now, to show the abject ignorance on the part of the public generally, I might relate an instance where a gentleman with whom I have been acquainted for a number of years, who was the manager of a tailoring establishment, which was a branch establishment of a large tailoring concern having branches in, I think, about 20 different cities, made a statement to me. I said to this man, being a friend of mine, "Smithy, some of these days there will be a law passed under which you people who are selling this shoddy stuff that you are putting on the market here"—jokingly, in a way—"will compel

you to brand it for what it is." He said, "I will be glad to see that time come. I want to tell you a joke on myself. The president of our concern, Mr. Hirsch"—the fabric men all know who Mr. Hirsch is—"had authorized the advertisement on the part of all their different places of business in the 15 or 20 different cities, not representative cities in any way, that they were selling pure virgin wool suiting. When Mr. Hirsch came to our house I said to him, 'Mr. Hirsch, why did you put out an advertisement mentioning pure virgin wool? Why did you not say pure wool or virgin wool?' He said, 'Well, young man, you have been in the tailoring business all your life. Do you mean to tell me that you do not know the difference between pure wool and virgin wool?' I said, 'No, what is the difference?' He said, 'You might have a fabric here that was absolutely pure wool and not a thread of virgin wool in it. You ought to learn something about the tailoring business before you go any further.'"

Now, gentlemen, if that is the case, if the tailors themselves, men who have spent a lifetime in the business, do not know the difference between virgin wool and pure wool, what would the laymen who are not supposed to know anything about these matters know as to what they are really getting in their garments?

A few months ago, I think in November, I had occasion to visit a mill called a woolen mill, not for the purpose of investigation but for the purpose of performing some experiments with some wool. While going through that mill the manager took us through his stock department and we failed to see a single pound of wool in the establishment, excepting some that we brought there ourselves for experimental purposes. While he was showing us through the mill, the looms were working, the machinery was in operation, and a stenographer came from the office and said to him, "Mr. So-and-So, you are wanted on the long distance telephone." He went to the telephone and was gone probably 10 or 15 minutes. He came back and said, "I have just bought 60,000 pounds of Government khaki cloth. What do you suppose I paid for it? We said, 'We have no idea of the value of Government khaki cloth, or any other material of that kind.'" He said, "I bought it for 5 cents a pound." Now, while going through this mill we noticed that he had some of the most beautiful automobile robes I have ever seen. It appeared to be as beautiful a piece of woolen cloth as you could see anywhere, a beautiful color and evidently a high-priced robe from its appearance. I asked him what it sold for and he said \$18 at the mill. I asked him how much it weighed and he put it on the scales and this robe weighed 6 pounds. That was \$3 a pound for the material. The next day in the Marshal-Field store I saw this same robe, with the trade-mark on it, selling at \$35. Now, that was \$3 a pound at the mill. I do not say that this khaki cloth at 5 cents a pound went into it, or that any shoddy went into it costing that amount, but it looks to me that there must be a pretty good profit somewhere in the shoddy business to keep a mill of that kind operating.

Now, there is no question about it at all. You are wearing some of my old clothes and I am wearing some of yours. When you have cast off your old clothes they go through the hands of the rag pickers and they have been made up and worked over again and have come back to you. Until a few years ago I happened to have something

like 1,000 or 2,000 Mexican lambs in my barns feeding them. We sheared them in the fall or winter and the wool was rather short and it was not a good quality of wool. The manager of a blanket factory came to me, hearing about this kind of wool that I had on hand and wanted to buy it. I finally sold it to him at his own price. He offered me a little more than anybody else. I said to him, "What in thunder is the matter with the price of wool? We are not getting the cost of raising this wool. What is the trouble with it?" He said, "The trouble is that you are wearing my old clothes and I am wearing yours. The machinery made to-day to tear up old clothes will do anything but talk. Now, all the manufacturers in my line are using this same material and they tell you that they are not, but we are using it and we do not deny it. We are obliged to use it to compete in the blanket manufacturing business and so do the other fellows."

Now, gentlemen, we believe that this bill is going to operate in the interest of the public generally, without question. I notice there was some talk here about the amount of virgin wool which would make a very poor quality clothing. Now, we handled in actual figures last year, which was really our first year in Ohio—the Ohio Wool Growers' Association—2,090,000 pounds of wool, of which only 1 per cent was the class of wool that is sold as the class of wool that these gentlemen talk about, possibly 5 per cent of that class of wool, which shows that it is only a small proportion of the virgin wool which would be of the short fiber that has been mentioned. Now, I am referring to the wool that is grown in America. Of course, there is a lot of foreign stuff that is a poor quality of wool.

Now, as was brought to your attention here forcibly by Prof. Plumb, you know that little fibers of wool are covered with hooks. It is like the shingles on a roof, each one overlapping the other, and each one containing little hooks. I have been told that on the finest quality of wool they run as high as 1,000 of them to the inch. The fact that these little hooks are on there is the main thing that contributes to the spinning of the material into a small stout yarn. The fabric men will tell you that. For that reason, I believe, the more often this wool is torn up and worked together, the more often these hooks will be eliminated, and necessarily the poorer it must be for the manufacture of cloth.

The CHAIRMAN. Are these hooks the scales that the professor talked about?

Mr. WILBUR. Yes, sir. It is discernible under a very high-power microscope. That is what causes the fiber in the short wool to hang together and make a strong cloth in the spinning of the wool. It is afterwards woven into the fabrics. Now, if there is a small amount of short wool in the virgin wool you can readily see what a tremendous proportion of the short wool there must be that is torn up in your old clothes and mine.

Now, we will always need this reworked wool. We have no quarrel with the men who are manufacturing this class of fabric, but we feel that they ought to state what they are putting in the fabric which they are selling us, as a matter of justice to the public. As a matter of fact, as I said before, when the tailoring men who have been in the business all their lives do not know what is in the goods, and as these gentlemen here who are fighting this bill have

admitted, that nobody can tell after the goods are made up whether there is any shoddy in the goods or not, it is only a matter of justice that the goods should be so marked that it will show their contents. As I stated in the beginning, I will not take any more of your time. I believe the bill ought to be reported to the House. Whether it will be reported with recommendation or without recommendation, it will be reported some day. We believe, that as a matter of fairness and as a matter of common justice, this bill should be reported and put in the hands of the House.

The CHAIRMAN. Who is your next witness?

Mr. FRENCH. Mr. E. A. Calvin, representing the Cotton States Marketing Board.

STATEMENT OF MR. E. A. CALVIN, REPRESENTING THE COTTON STATES MARKETING BOARD.

Mr. CALVIN. Mr. Chairman, I represent the Cotton States Marketing Board. I did not know I was going to testify until a few minutes ago. I knew this legislation was pending and I have had one or two of the bills in my possession for some time, but my affairs have been such that I could not well get here, having several other important things to look after during the past week.

I do not want to go into a technical discussion of the proposition before the committee, because I do not know anything about the technical part of the manufacturing or clothing business, but I just want to indorse on behalf of the board I represent, the general proposition that is before you. We believe in honesty and a square deal in manufacturing, handling and selling fabrics and clothing of all kinds. We can not see how this bill can hurt anyone who desires to deal honestly with the consuming or using public. We can not see how it will in any way hurt manufacturers and dealers to so mark their goods that the consuming public will know precisely, when they buy a piece of goods what they are getting, and this much we think the consuming public is entitled to know. I can remember, Mr. Chairman, when my mother used to go to the store to buy goods, her taking a raveling out of the goods and burning it with a match to see whether it was wool or something else. I can not see why it would be necessary for the purchaser to become an expert, you might say a critical expert, in order to protect themselves in the purchase of clothing and fabrics.

Now, Mr. Chairman, as I said, I do not want to go into a general discussion of the proposition. I told the Congressman who asked me to say something on the subject, that I would not take but five minutes. I just want to repeat that our board is unqualifiedly in favor of fair dealing in the manufacture, distribution, and sale of all goods and fabrics, and so far as that is concerned, we favor it as applied to shoes as well. I do not believe the bill covers shoes. I can not see why in the world a person should be required to buy shoes and not know of what material they are made or what is in them. We get a pair of shoes and the first time we go out on a rainy street we find we have got a pair of paper soles. Now, why a person should be allowed to put a thing like that over on the consuming public in this country is beyond me. Well, that is on the side. That is not before the committee. That is all I have to say.

Mr. SIMS. You are from Texas?

Mr. CALVIN. Yes.

Mr. SIMS. That is your home?

Mr. CALVIN. Yes, sir.

Mr. SIMS. Texas is the greatest cotton producing State in the United States?

Mr. CALVIN. Yes, sir.

Mr. SIMS. And would the Texas cotton raisers have any objection to requiring fabrics made out of sea-island cotton to be so labeled?

Mr. CALVIN. I can not say that they should.

Mr. SIMS. You have no objection?

Mr. CALVIN. None whatever.

Mr. SIMS. They do not want to sell short staple cotton as sea-island cotton or have it sold so that it could be put off on the public as sea-island cotton?

Mr. CALVIN. I can not see why they should.

Mr. SIMS. Of course, I am from the South and I do not think our cotton growers would have the slightest objection to selling cotton fabrics carrying a label or brand to indicate the content of the fabric.

Mr. CALVIN. I will say this, Mr. Sims, that as a matter of honesty and common justice they could not advocate a thing like that and still stand for a pure fabric bill. If we favor honesty in one line we should favor it in all other lines of business.

Mr. SIMS. The average purchaser of cloth or fabric could of course be deceived by representing that something was Sea Island cotton when it was not, and they would have no power on earth to detect it, so far as knowledge goes.

Mr. CALVIN. No, sir.

Mr. WINSLOW. In what shape did this bill come before your board?

Mr. CALVIN. Well, this particular bill has not been up before our board. We have indorsed the principle on several different occasions, in fact, all the farm organizations I have been connected with since 1905 have indorsed this principle.

Mr. WINSLOW. Have they ever gone into the features of this particular bill?

Mr. CALVIN. No, sir; our board has not had a meeting since this particular bill has been up for consideration. As I said at the outset I do not care to go into a technical discussion, I desire merely to indorse the principle contained in the bill.

Mr. WINSLOW. Would you indorse the principle if you thought that the branding would leave the public more confused than otherwise? In other words, do you think the public would indorse the principle as applied to this bill if it should turn out on inquiry that the public would be more confused by being educated than by not being educated?

Mr. CALVIN. Certainly the public would not advocate it under those conditions, but they would advocate having a bill so drawn——

Mr. WINSLOW (interposing). In other words, you are here not to indorse this bill but some bill which would accomplish that result?

Mr. CALVIN. Certainly, and if the passage of this bill would confuse the public we would not want it passed, but we would ask that the bill would be so corrected or amended as that it would not confuse anyone, and if it is so drawn that it will not confuse anyone, we will indorse it as it is.

Mr. WINSLOW. And would you go further and say that if nobody had had wit enough to prescribe a method of branding which would clarify the situation, that they had better wait until——

Mr. CALVIN (interposing). You say no one has been able to prescribe a method of branding yet?

Mr. WINSLOW. No; I do not say that, but I say this, that if nobody has been found who could clarify the situation and set forth a method of branding that would not be confusing, would you then feel that legislation was desirable at this time?

Mr. CALVIN. To my mind the question of branding is so simple that it is not necessary to discuss it.

Mr. WINSLOW. If I thought it would not be necessary I would not bring it before you.

Mr. CALVIN. Well, all right. It seems to me that all we would have to do would be to state precisely what is in the goods without attempting to mislead anyone.

Mr. WINSLOW. Now, accepting you as speaking, then, in entirely good faith, have you had any opportunity of getting at the testimony which has been presented here with a view to determining whether or not it is reasonably possible to prescribe a method which would educate the public?

Mr. CALVIN. Will you give me a concrete illustration to carry into effect your suggestion?

Mr. WINSLOW. I can not give it. I do not know. There have been a lot of witnesses here and they have gone all around the point, but no one has come forward with a flat statement which would indicate that he had worked out a plan of branding that would let the public know what the brand meant.

Mr. CALVIN. I concede that at the beginning the branding of all goods, naming just what is in them, might be confusing, and the public might be misled, because we might have an idea that certain goods called by a certain name might be more valuable than some other which were really better, but the public would not be long in working the question out, because the facts would begin to filter through in a short time as to just what was meant by the brand, and it certainly would not be as confusing as the present system.

Mr. JONES. Then they would learn by experience?

Mr. CALVIN. Yes, sir.

Mr. JONES. Then what use would there be in branding the goods at all?

Mr. CALVIN. Well, a man's experience does not give him eyes to see into a thing which is concealed. For instance, take a pair of shoes. I can not look through the outside covering of a shoe and see the paper in it. No matter how good my eyes might be or how much experience I may have had, and that same thing applies to clothing as well and, I think, more or less to all goods. It is impossible, irrespective of our experience, to see what kind of material is in goods. In other words, we can not expect the consuming public to become expert on these questions. I have been told, Mr. Chairman, by manufacturers that they can manufacture goods out of cotton, for instance, that no one but an expert can determine whether it is cotton or woolen goods.

Mr. JONES. Will you concede that the grade of wool that goes into the fabric has something to do with the durability and serviceability of the cloth?

Mr. CALVIN. I certainly do.

Mr. JONES. Will you concede that the skill by which it is made, the character of machine used and the skill of the operators who do the work, have something to do with the durability of the cloth?

Mr. CALVIN. I judge that is a fact.

Mr. JONES. Then will you tell me how those elements can be put into the brand of the fabric under this bill in order to give that information to the purchaser?

Mr. CALVIN. I will say that I think a manufacturer using good material would not deliberately operate his machinery or permit his machinery to be operated in such a way as to depreciate the value of that material.

Mr. JONES. I think that is true. I think the assumption is rather the other way. Most of the witnesses go on the assumption that the manufacturers are dishonest.

Mr. CALVIN. Well, I do not think they are dishonest in the manufacture of goods, but I sometimes think they are not as honest as they might be when it comes to selling the goods, some of them at least. I think they might tell us what they are selling us.

Mr. JONES. I agree with you that if there is any proposition that might be worked out whereby the public may be benefited, that it may be advisable to consider whether the public is benefited.

Mr. CALVIN. Do you not think that in the long run, if all goods were stamped for just what they are, that the public would in a very short while learn the value of the different fabrics?

Mr. JONES. That is where we raise our difference under this bill, as to whether the public will know just what is in it.

Mr. CALVIN. Well, it provides that the goods shall be stamped.

Mr. JONES. Yes; and the stamp is no information.

Mr. CALVIN. I think it leads to very valuable information, because if I see a piece of goods stamped in a certain way, all I have to do is to ask some one which is the better material, this piece or that, and the housewives, the women throughout the country, will learn those things much sooner than we think they will.

Mr. SIMS. And they are willing to try it?

Mr. CALVIN. Indeed they are.

Mr. WINSLOW. Have you seen any evidence through popular demonstrations of any lack of satisfaction on the part of the people who are wearing woollen cloth?

Mr. CALVIN. That has been a contention among the people for a long while. The general impression is that no man knows what he is buying when he buys it. That is one of the old complaints.

Mr. WINSLOW. That is a general assertion. Of course, if you take any man's experience and his say-so for it, we will believe him and think he is honest, but that does not demonstrate a fixed condition.

Mr. CALVIN. May I ask you a question?

Mr. WINSLOW. Yes.

Mr. CALVIN. Your objection to this bill is that the public will not know what is in the goods, that is, you might say, the difference in the value of the goods, even after they are stamped?

Mr. WINSLOW. Well, I do not know that I have come to that point where I am prepared to admit your statement as to my opinion.

Mr. CALVIN. Well, I just asked the question.

Mr. WINSLOW. But I will go this far, that if the testimony throughout these hearings leads me to feel that the public would be more misled than properly directed by virtue of the branding—

Mr. CALVIN (interposing). Impossible.

Mr. WINSLOW. You have answered the question for me, and I can not go any further.

Mr. CALVIN. They could not be any more misled. They might be just as bad off, but no worse.

Mr. DEWALT. Let me put a hypothetical question founded upon the testimony. Suppose you take as a premise that there are different grades of sheep according to the breeding thereof.

Mr. CALVIN. Yes, sir.

Mr. DEWALT. That is a fact, is it not?

Mr. CALVIN. Yes, sir; that is a fact.

Mr. DEWALT. Suppose you take as another fact that there are different sorts of virgin wool, dependent upon the portion of the body from which the wool is taken.

Mr. CALVIN. Yes, sir.

Mr. DEWALT. To wit, the wool on the back of the sheep, which is virgin wool, is better than that which is taken from the portion of the sheep near the hoofs or near the horns. Then you have different grades of virgin wool, do you not?

Mr. CALVIN. Yes, sir.

Mr. DEWALT. Dependent first upon the breed of the sheep and secondly upon the portion of the body from which the wool is taken. Now, you admit those facts?

Mr. CALVIN. Absolutely; yes, sir.

Mr. DEWALT. Now, we will mark a piece of goods made of virgin wool. Now, how is the purchaser to determine the value of that article simply by having it marked "virgin wool?"

Mr. CALVIN. I will answer that question by asking one. How do you know now whether it is wool at all or not in the cloth you buy under present conditions? In the same piece of cloth under the operations of this law he would know that it was virgin wool, whether it came from near the horns or near the hoofs; but at the present time the purchaser does not know whether it is virgin wool or something else, so that in any event he would not be any worse off than he is now.

Mr. DEWALT. That answer could be made in this way: We have three bills; in fact, four bills here, one of which is the Rogers bill, another is the Barkley bill, which calls for a punishment for misbranding, and the other is the truth in fabric bill, which calls for a branding, and says you must mark your goods according to the constituent parts thereof. Now, your answer to my question is this: How would the customer be able to determine the value of the goods that are made out of these different grades of wool? If it is marked "wool," then you are sure there is some wool in it; but is not that rather an evasive answer? Would not your customer be more confused than otherwise, because he would then depend upon the fact that there was some wool in it, but he did not know the grade of the wool or he would not know how much?

Mr. CALVIN. Well, he does not know how much now, does he?

Mr. DEWALT. I grant you that he does not.

Mr. CALVIN. He does not know the grade of the fabric?

Mr. DEWALT. No; but is he any better off by knowing that there is wool in it?

Mr. CALVIN. I think he would be, because I do not think the difference, especially from the standpoint of wearing, between virgin wool from near the horns or middle of the body of the sheep would be different to such an extent as to cause any serious loss to the buyer. I do not think there would be such a very great difference. If it is virgin wool, of course, I grant you that there are some grades of virgin wool that are better than others, but the main thing that the customer is interested in knowing is that it is virgin wool, because when he gets virgin wool he has every reason to believe that its wearing qualities are pretty good. It may not be as good in character or as fine in texture as goods manufactured from the better grades of virgin wool, but it would be a guarantee that the goods were not made of shoddy. So that I can not see, to save my life, how the consumers can be any worse off by requiring that goods be stamped for just what they are and what they contain.

Mr. DEWALT. It is not a question of being worse off. It is a question of being better off. There is no use of encumbering the statute books—

Mr. CALVIN (interposing). Mr. Dewalt, I was going to continue my statement to say that, on the other hand, I can not see but what they would be very much better off, because I think it will furnish information, and that is what the public always wants on these matters. If we give them the information as to what is in the fabrics that they have to buy, it is only a question of a very short while when they will be able to determine the difference in value of the various fabrics.

Mr. WINSLOW. Suppose you were to continue this principle to steel products. How would you mark steel so that the public would know what grade of steel was in the article?

Mr. CALVIN. As I said before, I am not an expert on these questions, but I judge that the average purchasers of raw steel, most of the purchasers of raw steel, are people who are experts, and it probably would not be as necessary to mark steel as it is to mark fabrics and things of that kind.

Mr. WINSLOW. But assuming that it is necessary, they have a right to know just the same what the products contain?

Mr. CALVIN. Well, of course, that is true, but you take a manufacturer of plows and automobiles. I take it for granted that these people know what they are buying. I take it that they know what they are doing.

Mr. WINSLOW. Why does not the manufacturer of woolen clothing know what he is doing when he is buying high-grade shoddy?

Mr. CALVIN. He probably does.

Mr. WINSLOW. You would not have a plowman—

Mr. CALVIN (interposing). It does not follow that because the manufacturer understands what he is doing when he buys the shoddy that he ought to be able to put this shoddy off on the public as virgin wool. That does not follow at all.

Mr. WINSLOW. Why should a man be allowed to put a low-grade steel plow on the market?

Mr. CALVIN. He should not be, and sell it for a high-grade plow.

Mr. WINSLOW. Why should not that plow be marked?

Mr. CALVIN. If necessary it should be.

Mr. WINSLOW. Would you favor amending the law so as to cover steel and everything else?

Mr. CALVIN. If necessary, yes, sir. We have determined by law that no drugs, no matter of what character, shall be sold in this country unless they are what they are represented to be. I do not see any particular objection to including other articles, if the necessity exists. There is no difference in principle. The only difference is in necessity.

Mr. WINSLOW. Well, if it is the right theory in one article, why is it not the right theory in another article, on that basis?

Mr. CALVIN. The principle is right. Nobody can dispute the principle. Nobody can deny that people ought to get what they buy and know what they are buying when they buy. The cotton farmers are required to sell their cotton according to class and the class is fixed by law which is accepted by the trade. A farmer can not sell a low-grade bale of cotton for a high-grade bale, and why should a merchant or manufacturer be permitted to do so?

Mr. WINSLOW. But that is another story. We all agree on that.

Mr. CALVIN. The only way they can get what they buy is to know what they are buying, and the only way they can know what they are buying is to have what the article contains stamped on it.

Mr. WINSLOW. It seems to me that you have side-stepped the steel proposition.

Mr. CALVIN. No. I said the same principle applies. I have not figured that it is as necessary as in the matter of fabrics, because the possibility of deception is not so great.

Mr. WINSLOW. If there is a moral question involved here, what difference does it make about the extent?

Mr. CALVIN. We do not always legislate, even on moral questions, unless the necessity arises, and if the necessity arises for stamping steel products it will be done.

Mr. WINSLOW. What evidence have you of the necessity for this thing?

Mr. CALVIN. As I said awhile ago, that has been so commonly discussed that it seems to me that it ought to be commonly understood that nobody knows what they are buying. Let me tell you, my dear sir, a story that will illustrate the point. I bought a pair of shoes for my sister. She went out in the garden to gather some vegetables and got in a soft place and got the shoes wet and muddy. She came in and washed them and laid them by the fire to dry. Inside of an hour the soles of the shoes were buckled and the shoes were ruined. I paid a good price for the shoes, and I think the manufacturer should have been prosecuted, for he was practicing fraud, pure and simple. Now, I know of a case in Houston, Tex., three months ago, where a man who was working in water in a ditch went to a merchant where he had always bought his high-top water-proof boots, because he worked in water up to his knees most of the time. They charged him \$30 for the boots, the same kind he had been buying for \$15 a few years ago, guaranteed. That man went out and worked that day and had to pull them off three or four times during the day in order to let the water out and keep his feet

from freezing. He went back to the merchant, but what was he going to do about it? He had no protection. The boots were guaranteed to be a certain class of waterproof leather when they were not that at all.

Mr. JONES. He had a law to protect him.

Mr. CALVERT. Well, he did not get protection.

Mr. SIMS. But he got the boots?

Mr. CALVIN. Yes; he got the boots and he paid \$30 for them, and they were not worth carrying home. There was no way outside of stamping that I could know what was in the shoes above referred to, absolutely no way by which I could know. I had to buy them blindly, and that applies to practically everything else, and why should this be the case?

The CHAIRMAN. Is there a representative here from the Bureau of Standards? Dr. Stratton, I think I wrote you the other day in regard to this. Will you testify now?

Dr. STRATTON. Yes, sir.

STATEMENT OF DR. S. W. STRATTON, DIRECTOR, BUREAU OF STANDARDS.

The CHAIRMAN. Doctor, I sent you copies of the bills and you have examined them. Perhaps you notice in two or three of them reference is made to the Bureau of Standards as being the governmental agency which might make certain investigations, chemical and otherwise. The committee would like to know as to the practicability of your bureau determining the quality of woolen or the amount of shoddy in garments or any textile fabrics or any other information that you may be able to give us to enable us to properly frame legislation.

Dr. STRATTON. This question of marking materials is one with which the bureau is brought in contact in connection with Government purchases to a very large extent, and from time to time during the past 15 years several bills of a similar character have been called to our attention, covering various commodities, such as textiles, paints, oils, etc. I have been impressed with the impracticability of some of the bills, however, the object is alright. No one will dispute the desirability of knowing what we buy. But there is another side to that which is usually overlooked and that is the purpose for which a thing is to be used. We have no business establishing a standard of quality unless we can define that standard in terms that everybody can understand and use properly. Now, the standard of quality in regard to many of these things is very difficult to set up and maintain. In others it is an easy proposition. I have been brought in contact with many illustrations of where the specification, or, as we call it, the standard of quality, defines an article which is much superior than necessary for the use to which it is put, I should say, more expensive than one which would answer the purpose as well.

There is a great lack of knowledge as to the connection between the use of an article and its quality. The standard of quality, that is, whether an article is good or bad, is usually decided by the users. Most of the information of that sort comes from the user. It does not matter whether it is steel, lubricating oil, textiles or what. In

some cases the users are a class of people who are in a position to know more about it, and in other cases the users represent the general public and they are hampered with a good deal of tradition. But in most cases the quality of the article, that is, whether it is good or bad, is set by the user, not by the laboratory. The laboratory defines it and measures its quality. The laboratory first makes an investigation to identify or settle, if it can, the factors upon which the goodness or the badness depends. In case it does settle this, the next step is that the manufacturer takes the data and puts it into effect, he creates articles of the definite qualities prescribed by the laboratory. That is the test of the laboratory; the next step is that of the user who takes the article which has been made according to the specifications and gives it a final test in practice. I do not care whether it is a textile or a steel rail or what it is. The final test is the service of the material. The laboratory is only secondary. If the laboratory finds that a certain factor in a steel rail makes it bad, that can be left out. If another factor makes the rail better, it can be included. The laboratory gives assistance in that way. But, after all, the quality is decided by use, and it is a very dangerous thing to set up a standard of quality which is not definitely and without question identified with the use of the material. Now, in the case of paints and oils it is a popular tradition that white lead is better than anything else.

It is a well-known fact, I think, that white lead mixed with certain adulterants is a better paint in certain cases than the pure white lead, but no one would advocate paying the price of pure white lead for the other material. There is an educational factor there. The public should know that. There is a great deal to be done in educating the public as to these things. I have known Government specifications to specify pure para rubber as the insulation for a wire, whereas it is not so good as another quality. I think it will turn out that a blanket made of part wool and part cotton is better in many respects than one made of all wool. It may be so for one service and not so for another service. So that it is a very dangerous thing to assume that the mere branding of these materials is going to settle the whole question, since individuals are not always in a position to judge as to the relative quality of various mixtures or materials except in a general way. I have thought a good deal about this matter of branding, as to whether we could treat it from the standpoint of merely branding an article—that is, permitting the manufacturers to brand an article and requiring the brand to be lived up to—and the other plan proposed, which is to require the branding of all articles. It seems to me that neither will be effective; that is, neither will be fair unless we know about the articles to begin with, and neither will be effective as to administration unless we have proper methods of testing and unless we have proper methods of marking.

Now, in the case of woolen goods, it is not a difficult matter to tell the kind of fiber used; that is, as to whether it is composed of wool, of silk or cotton, or mixtures of these fibers, but it is a difficult matter to tell the particular quality of a single kind of fiber. It is very easy to identify wool. To a certain extent you can identify the kind of wool, but it is not an easy matter to identify reclaimed wool.

We have the same proposition in reclaimed rubber. We ought to use all the rubber we can. No one will dispute that. A reclaimed

rubber is very good for certain purposes. We do not want to pay the price of pure rubber for reclaimed rubber unless it may turn out that the reclaimed rubber is better. Such a thing is not impossible. If it is better, it ought to command the higher price. In the case of a textile we can tell the fibers fairly well, but it is very difficult to tell the different grades of the same fiber in many cases, such as reclaimed wool. But I question as to whether there would be any great advantage in the mere branding unless we know the whole story. I wish we did know the whole story as to the relative quality of fabrics made from different portions of wool, reclaimed wool and other fibers. At the Bureau of Standards we have been investigating some of those problems.

At the beginning of the war we were in the middle of an investigation for the purpose of determining the relative quality of cotton and wool blankets and blankets made of definite proportions of the two. Now, it depends somewhat upon the use of the blankets; in some cases an all-wool blanket, as specified by the War Department, is not as good as one which is made, if properly made, of part wool and part cotton. The question of manufacture enters into so many of these questions. It would be rather a dangerous thing to simply assume that the branding settled the whole question. It is one factor and in some cases a very important factor. But, as I say, an all-wool blanket may not be as good for some purposes as one which is composed in part of some other fiber. It is important to know the use to which a thing is to be put, and we might mislead the public in some cases by giving them the impression that an article which is made of pure rubber or pure wool, or something else, is better than one which is not pure, since that is not always the case.

I am strongly in favor of any legislation which will assist the public in knowing good materials, but on the other hand we want to be very careful as to how it is done, and we want to be very careful that the public is educated as we do this, and that our standards, whatever they are, are in language that all can understand, that we have tests that everybody can use, that the people are provided with testing facilities, that our standards are set up with due reference not only to the use of the article but to manufacturing processes.

The same thing which applies in textiles does not apply in steel, paints, and oils, except as to general principles, each one has to be handled differently, and in some cases it is a very difficult matter.

I was interested not long ago, in fact, I was called to Chicago to assist one of the largest mail-order houses in these matters. My interest in it was purely advisory; they proposed, in sending out the catalogue, to set a standard of quality in each case, and also to adopt a minimum of quality below which they would not go. Now, that involves the whole question of standards and measurement and is a very serious proposition. I was interested in it because the Bureau of Standards could be of help to the public. I think it is one of the first great steps toward educating the public as to quality. That is what we need. We have to separate the traditions, and we have many of them. I have no doubt that in a good many cases, in fact, it is the conventional opinion that pure wool fabric is better than one which is not pure wool, but there are cases where a wool fabric is not better than one which is not made of pure wool. We are advancing every day and we are learning new materials and new

combinations of materials, and unless we are able to keep up with this progress, we may do harm in certain cases.

Now, I am not a textile expert, but I am interested in this and I have come into contact with it very often. Our textile expert is here and will be glad to answer any questions, or if you desire to ask me questions, I will be glad to answer them if I can.

The CHAIRMAN. Dr. Stratton, the bill introduced by Mr. French on page 8 gives the formulas which shall be stamped or marked upon the fabric; for instance:

Maker's Registration No. —. 1. Contains not under — per cent virgin wool.
2. Contains not over — per cent shoddy.

There are other formulas along the same line. In your opinion would that formula be of advantage to the buying public?

Dr. STRATTON. I hardly think so. I dislike to see the term "shoddy" used at all, because it is so indefinite. It is a vague general term to apply to reclaimed wool. It is conceivable that some reclaimed wool is better than a poor grade of virgin wool, but I do not see how any definite accurate rule or formula can be established by using that vague term. That is my feeling in regard to the matter. But I do think that something ought to be done toward a method of determining reclaimed wool, and also in standardizing it, that is, in establishing quality. Some of it may be good and other shoddy may be bad. I think the textile people could answer that for you better than I could.

The CHAIRMAN. In your opinion would it be a better method in instructing the public to have the grades established rather than have a formula like the one I have quoted stamped upon the goods?

Dr. STRATTON. The formula is the final thing, the practical thing, but we must be sure of the factors which enter into the formula. In this particular case the formula says shoddy. Now, what is shoddy and how are you going to measure the quality of the shoddy? Undoubtedly there must be grades from the poorest grade to the highest, and a great injustice might be done by using in your formula simply the term "shoddy."

The CHAIRMAN. Your point is that there are grades of shoddy, as there are grades of virgin wool?

Dr. STRATTON. Yes, sir.

The CHAIRMAN. So that the term shoddy would not give the information which the public is entitled to?

Dr. STRATTON. Yes, sir; and in many cases a great injustice would be done in simply giving the proportion of virgin wool and reclaimed wool.

The CHAIRMAN. Would it meet your objection if instead of the word "shoddy" the words "reworked wool" were used?

Dr. STRATTON. Yes, sir. If we could accept standards of reworked wool, that would meet the objection. But, you see, we might just as well use in commercial affairs the word "sugar" without any reference to what the sugar is, or we might use the term "white lead," well, that is not a very good illustration, although there are variations in white lead.

The CHAIRMAN. Would there be difficulties connected with the plan of grading, in that you would have to have grades for practically every variety of cloth and grades for cloth depending upon their respective uses?

Dr. STRATTON. Yes, sir; if the grade of cloth is fixed according to quality there would be difficulty; but we do grade things. Fibers are bought and sold according to grades, and also grain. All of those things seemed at first hard to measure, but there are pretty fair standards of raw materials. But the tendency now is always toward measuring, to do away with these methods that involve the feel, the look, and so on. Even in raw products the tendency is toward scientific measurement in all those things.

The CHAIRMAN. Would the public be reasonably protected by passing a misbranding bill, something along the lines of the Rogers bill and the Barkley bill, and not following the plan suggested in the French bill?

Dr. STRATTON. I am not sure that any of these bills would protect the public unless we are reasonably sure of the standards of quality and the methods of testing. I would say that in regard to any material.

The CHAIRMAN. Of course, the branding part of it, under these bills, is a voluntary matter, but if the article is branded, of course, it must tell the truth?

Dr. STRATTON. Yes, sir; and a bill which was prepared by the Department of Commerce last year, as a general bill, was based upon that proposition, and I think the one that they have prepared this year—I do not think it has been introduced—is also based upon that principle. Some of the exporters think it would be very important to require the correct branding the articles branded as they are; that is, to require that if an article is branded it should be as it is branded. As I understand it, that is your question?

The CHAIRMAN. Yes.

Dr. STRATTON. Well, that would be protection in certain cases. I think it would have a very important bearing upon—you might say, the wholesale trade and exportation; but I do not see how that would in all cases protect the consumer, although it might be the best first step.

The CHAIRMAN. What can you state as to the practicability of the branding of textiles?

Dr. STRATTON. It is not always a practical thing. It is very easy to brand a textile by some conventional plan, but to brand it in language that everybody can read is not an easy matter. For instance, the old-fashioned gas tips that we used before we had electricity were rated by the number of cubic feet of gas burned per hour, and around the bottom of the tip was a large ring which meant 4 cubic feet per hour, and a small ring which meant 1 cubic foot; for a 6-foot burner there would be one large and two small rings. Now there could be a system of weaving in the selvage that would enable a person to tell to a certain extent the contents of the cloth, but the public would have to be acquainted with that system and its use would be limited to a few of the general materials. That is, a textile which is all virgin wool could have one colored stripe in the edge, and we have a few combinations that could be made, but it would be somewhat limited. We would have to educate the public as to what that meant, and this is not, of course, an impossible thing.

The CHAIRMAN. To protect the public, of course, the stamping would have to be practically on every yard of the material?

Dr. STRATTON. Yes, sir.

The CHAIRMAN. Would it be possible to brand so elaborate a legend on the selvage?

Dr. STRATTON. I do not think so. A manufacturer could tell you that better than I, but it seems to me that it would have to be a conventional marking, as I have described, which could be done.

The CHAIRMAN. Then the public would have to be educated up to interpreting the mark?

Dr. STRATTON. Yes, sir.

Mr. SIMS. Mr. Chairman, the gentleman speaks of standards of quality.

Dr. STRATTON. Yes, sir.

Mr. SIMS. The standard or brand which includes a certain quality?

Dr. STRATTON. Yes, sir.

Mr. SIMS. Now, wool is a fiber?

Dr. STRATTON. Yes, sir.

Mr. SIMS. And cotton is a fiber?

Dr. STRATTON. Yes, sir.

Mr. SIMS. Wood pulp is a fiber and silk is a fiber? There are a good many fibers that are used for making fabrics. Some are very costly fabrics and some are very common. Now would it not be, upon the whole, a benefit to the public if all goods or fabrics that are manufactured out of virgin or new wool should be so branded without reference to the difference in quality, on all new wool fabrics, because a coarser wool would not make as expensive a fabric as the finest, but the public would know that all fabrics so branded had no cotton in them, had no silk in them, had no reworked wool in them. Now, the manufacturer buys his wool and buys his shoddy, and should, above every one else, know what he puts into his fabric, and when you require him to brand all fabrics that are composed solely of new wool as such, he is not misled and he knows what he is doing. Then if he sells in the other fabrics a poor grade of wool, he is practicing fraud and he knows it is fraud. Now, why can not we protect the public from a practice of that kind without having to go into a mathematical calculation of the different qualities of the same material?

Dr. STRATTON. Well, are we protecting the public? It is true that we protect the public in certain things, but not as to the whole story. I am perhaps more interested than I should be in the quality side. If it is a perfectly well-settled and definite fact that an all-wool fabric is better than any other fabric, possibly it would be well to say that one is all-wool and another is not, and so on. I would like to go a step further and base this as far as possible on the use of an article, and try to protect the public against the use of a poor article where a good one is needed and the use of a very good article where a poor one will answer.

Mr. SIMS. I know, we would all like to make it impossible for anybody to be cheated by misrepresentation, but such a thing is absolutely impossible. There will be some swindling and some cheating in spite of all we can do. But if you require all articles made of all new wool to be so branded, are you not giving the public a great benefit although they may not be able to detect one all virgin wool fabric as being more valuable than another of the same material? Of course, that will come with education, but why should we refuse to pass laws that do not hurt anybody but may help millions of people, simply because you can not get mathematical accuracy as to

the degree quality of one fabric as compared with a fabric made from another material?

Dr. STRATTON. I did not use the words "mathematical accuracy."

Mr. SIMS. Well, I did use it. Why should we be required to go down to the millionth part of an inch—

Dr. STRATTON (interposing). Oh, no; that is just as much of an exaggeration as if I should say that we ought to judge these things by looking at them and feeling them. There is nothing to be gained by going to either of those extremes.

Mr. SIMS. No; of course not.

Dr. STRATTON. I think that no great harm would be done, and on the other hand I think it would be a very important first step to brand the article as to its constituent parts. But the very next step should be the establishment of standards of quality.

Mr. SIMS. Well, as between fabrics of one quality and of another quality made out of the same virgin wool, that is something that you could not prescribe a standard of quality that could be practically applied in all instances. But the difference between wool fabrics made out of reworked wool and fabrics made out of new wool is so obvious, why should we deprive the public of any advance notice that they may be given, even though they can not tell the difference between fabrics made out of all new wool and other grades of the same wool? But in any event they are protected in that way. They can say to the dealer, "Is this all virgin wool or new wool?" and if he says that it is, then he is put on notice. Of course, the purchaser may give more than it is really worth, but that is something that the public will have to risk just as in different kinds of cotton fabrics, as here are different qualities of cotton. But the thing we want to prevent is selling to the unsuspecting public—as is done in thousands of cases, not in just a few cases—fabric which the purchaser thinks is all new wool. In other words, where they make a practice of selling to the public that which the public thinks is all new wool when it is not even in part of new wool, why should we not prevent, if we can, any such general condition as that?

Dr. STRATTON. I think we should. I am in favor of that portion of the bill; you have selected the easy part of it and you have also included in your question a statement at the beginning which I do not think is quite the fact, namely, that it is easy to tell the difference in quality between the poor wool fabric—

Mr. SIMS (interposing). Oh, no; I did not say that.

Dr. STRATTON. That is the way I understood it.

Mr. SIMS. I said that the manufacturer knows when he is making a fabric whether it is all new wool. He is not deceived. He can not be misled.

Dr. STRATTON. Quite so.

Mr. SIMS. Because he buys his raw material, and he knows when he is buying shoddy, although the shoddy may be of a better grade than the all wool; but he knows; he can not be deceived, and if all that is made of pure virgin wool is so branded by him he is not misled and he can not be mistaken.

Dr. STRATTON. No.

Mr. SIMS. And you do not have to go into a great number of details as to how that brand shall be, whether it is to be a mark, as you indi-

cated a while ago, or something else, because every manufacturer that makes it will settle it himself and tell it from the housetops, because he knows there is a general feeling that fabrics made out of pure new wool are in general better than the same class of fabrics made out of wool that has been previously used for some other purpose.

Dr. STRATTON. Suppose we should find out that the fabric made of reclaimed wool, a portion of it, would be better, or even as good, for some purposes than another?

Mr. SIMS. Well, that is all right. The manufacturer of the fabric will advertise it to the world.

The CHAIRMAN. Let him finish his answer.

Mr. SIMS. I did not mean to interrupt. I thought you asked me a question.

Dr. STRATTON. I say, suppose it should turn out that it is a better fabric for some other purpose than if it is made of all virgin wool. Then you would be deceiving the public unless you have settled now, once and for all, that everything made of virgin wool is better than anything made of any other kind of wool.

Mr. SIMS. Nobody alleges any such proposition as that; that is, that a very low order of coarse wool would make a very high-grade fabric. Now, suppose the manufacturer himself makes both kinds of wool fabrics and he is selling both kinds of wools. He will tell his trade the facts and will advertise it, because they can sell and will sell the same class of goods. He has a lower class and a higher class of goods, and it will be to their interest to advertise and the public will only take its chances as to which class of goods it is buying, as to whether it is part cotton or shoddy or silk or anything else; and whatever is the better class of goods, the seller would so advertise it, common experience would find it out, and it would not mislead anybody very long. I do not see how you would mislead the public very long. When you put the price of the wool upon the fabric, made out of different kinds of wool, it will tell its own story.

Dr. STRATTON. I wish it was as simple as that.

Mr. SIMS. We never attempt to do anything that is so simple that nobody is liable to make a mistake. Now, we have constitutional power to pass a bill and say that no goods shall be sold or carried in interstate commerce branded as woolen goods, woolen or worsted, that contain anything except virgin wool. We can do that and absolutely enforce that law, but that is not a standard of quality, it is just a standard of common honesty, and Congress has the power to enforce it. Now, I know that it has always been claimed that every new proposition to do something like this is impracticable, and who is always crying out that it is impracticable, but those who have the opportunity to deal dishonestly? I do not mean these manufacturers, because they are not deceiving anybody.

Dr. STRATTON. I think we could make no greater mistake than to base our legislation—in fact, I think we do sometimes make the mistake of basing our legislation upon the frailties of human nature. Are we to make laws solely for the purpose of preventing people from doing the wrong thing? It is a great mistake to assume that the manufacturer is always going to do the wrong thing. I am right with you on any practical method of marking these fabrics and of having the consumer know what he is buying, but it is out of the

question to assume that the mere marking of the proportions of these things will settle the whole difficulty.

Mr. SIMS. Oh, it will not.

Dr. STRATTON. I admit that it is a good first step.

Mr. SIMS. Nobody ever took the second step that did not take the first, but the trouble with the opponents of this bill is that they do not want to take the first step.

Dr. STRATTON. I have never had any sympathy whatever with the manufacturer who did not support a measure which was based upon the truth. The great danger is that it may be based upon half the truth and not the whole truth. Now, I could give you many illustrations of that. In the case of paints and oils, a branding measure there, if too rigidly carried out, would mean a great injustice, because there are various combinations and various materials that enter into paints and oils, and new combinations are coming along every day, and they should not be thrown out merely because they are not pure this or pure that. I rather think that in cases of this kind more depends upon the method of administration of the law, and the great danger is that we will have a hard and fast law of some kind with no latitude; there should be some latitude in the administration of it.

Mr. SIMS. I do not think an absolutely strict formula prescribing by statute just what the mark should be, a certain and simple brand on all goods made of all virgin wool, no matter whether it is high-grade or low-grade virgin wool—I can not see how that could fail to improve the situation, because the manufacturer would be imperiled if he did not put in that fabric what he claimed to put in it, and let them have all the competition in fabrics they want. In other words, I believe that half truth is better than a whole falsehood. I believe you can get nearer to common honesty than you do now if you make an effort in that direction. I am in favor of any bill that will remedy this situation. The swindlers have had victims long enough and it is time that we should do something. It is not the manufacturer, because the manufacturer has the means to protect himself, but it is the thousand and one people out in the stores and shops, buying something that they say is all wool, and they do not know the difference between all wool and some other kinds of wool. They buy wool that is sometimes made from old clothes, worked over, even to the tenth degree—I do not know how often it can be worked. I do not live in a sheep-raising country, but I do not see why we should not make this first effort, and not conjure up this thing, that thing, or the other thing as an excuse to never even take the first step.

THE CHAIRMAN. Are there any further questions?

Mr. SANDERS of Indiana. Of course, the impression that would be left to the purchaser, if we were to require these goods to be branded as provided in the bill, would be that that was a test of the quality. Would not that be the impression?

Dr. STRATTON. That is it exactly, and it assumes that we know all about the quality and that the brand is the mark of quality.

Mr. SANDERS of Indiana. The purchaser assumes that that is the test of the quality?

Dr. STRATTON. Yes, sir.

Mr. SANDERS of Indiana. Now, as a matter of fact, that is not an accurate test of the quality.

Dr. STRATTON. No, sir.

Mr. SANDERS of Indiana. If you give the purchaser the right to believe that that is a test of quality, and acting upon that assumption he purchases the goods thus branded, assuming that he is getting a good quality, does not this follow as the ultimate result, that he judges the quality by a false standard because we have given him a false standard by this legislation?

Dr. STRATTON. That is it.

Mr. BONYNGE. Mr. Chairman, may I ask Dr. Stratton a few questions?

The CHAIRMAN. Yes.

Mr. BONYNGE. Dr. Stratton, do you not think it is useful information to give to the purchaser the knowledge of whether the article he is purchasing is either a first or second hand article?

Dr. STRATTON. That depends upon circumstances; you may think a second-hand automobile which has been tried out would be better than a first-hand one.

Mr. BONYNGE. Perhaps that is true, but do you think that would justify selling a second-hand automobile as a new automobile?

Dr. STRATTON. No, sir.

Mr. BONYNGE. Then, do you not think that the giving of the information to the public as to whether an article is new or second-hand is information that the public is entitled to receive?

Dr. STRATTON. Provided you give the public at the same time the other part of the story, whether this thing—that is, you couple up the thing that is to be used with the knowledge of its quality.

Mr. BONYNGE. Will not the public itself determine that without giving them the other information?

Dr. STRATTON. You might, but a thousand other people might not be able to.

Mr. BONYNGE. Did you not state in your testimony that the final determination of the quality of the goods is to be decided by the user?

Dr. STRATTON. Yes; but in the case of clothing and shoes, the user is the individual who wears the articles all over the country and it is a very difficult thing to get the consensus of opinion of the user.

Mr. BONYNGE. At the present time how are the users of clothing to know the relative value of new and reworked wool when they can not determine whether they have new or reworked wool?

Dr. STRATTON. I did not say they could.

Mr. BONYNGE. They have no such knowledge now?

Dr. STRATTON. No, sir.

Mr. BONYNGE. No means of determining which is the better?

Dr. STRATTON. No, sir.

Mr. BONYNGE. And if you gave them that information would they not be able to determine which is the better?

Dr. STRATTON. If you gave them the information as to how to test the difference between virgin wool and reclaimed wool, you would be doing them a great favor, and then, if you go still further and give them even a fairly good knowledge of the relative qualities between the two, you will also be doing them a great service, and you ought to do it right away if you can. The user, as stated before, can often tell when an article is good or bad, but he seldom knows why.

Mr. BONYNGE. It would not be necessary, would it, to give the purchaser a knowledge of any test to determine the difference between new and reworked wool if the goods were stamped?

Dr. STRATTON. I want to call your attention to just such statements as that. There is the trouble with all these matters. If you can not test, if you have not the means by which you can administer the law, what is the use of the law? I am entirely in favor of the law, but I want also to see some method of administering it fairly.

Mr. BONYNGE. Do you mean by that that it is impossible to determine whether an article is new or reworked wool?

Dr. STRATTON. To a general extent, you can tell, you can perhaps tell approximately, whether it is 75 per cent virgin wool and 25 per cent reclaimed wool, but the quality of each is quite as important in fixing or branding the quality of the fabric.

Mr. BONYNGE. No; the manufacturer can tell that, can he not?

Dr. STRATTON. Yes, sir; he knows what proportions of each he has used.

Mr. BONYNGE. His books will determine that, will they not?

Dr. STRATTON. Yes; but why not, then, in the administration of the pure food law, simply say to all manufacturers: "You must make the thing so and so," and then never test it? Why does the Bureau of Chemistry handle all these questions? Why not take the brand as it is?

Mr. BONYNGE. We are not proposing to take the brand as it is, under the French bill. The proposition is that where it is necessary to determine the proportion you can go to the books of the manufacturer.

Dr. STRATTON. Why not do the same thing in the administration of the pure food law?

Mr. BONYNGE. Because you can take the article and by a chemical analysis, I assume, determine the exact proportion that is in there, which you can not do in the case of a fabric.

Dr. STRATTON. That is, assuming that every manufacturer is honest. I want to say that the most of them are.

Mr. BONYNGE. Is it not a fact, Doctor——

Dr. STRATTON (interposing). Just suppose there is one man in ten who would take advantage of that condition. There would be a grave injustice done to the other nine out of ten who are doing the right thing.

Mr. BONYNGE. Do you think it is any injustice now to sell goods as all wool that contain nothing but reworked wool?

Dr. STRATTON. Oh, no; of course not.

Mr. BONYNGE. You do not think that is an injustice?

Dr. STRATTON. I misunderstood your question. It is a great injustice.

Mr. BONYNGE. Do you not think that Congress should do what they can to remedy that condition?

Dr. STRATTON. Certainly.

Mr. BONYNGE. Would it not remedy the condition if you gave to the public the knowledge as to whether it was new or reworked wool?

Dr. STRATTON. Certainly, if you have the means to administer the law. What is the use of making this thing out an easy thing when it is not. We should first be able to tell with a fair degree of accuracy the proportions of virgin and reclaimed wool and the quality of each; furthermore, the relative value of these two fibers or their mixtures is not well known.

Mr. BONYNGE. I am not trying to make it an easy thing. I am trying to get the information. You can take a drug and by chemical analysis actually determine the contents?

Dr. STRATTON. Sometimes you can; generally you can.

Mr. BONYNGE. In the great majority of cases?

Dr. STRATTON. Sometimes it is very difficult.

Mr. BONYNGE. But it can be done?

Dr. STRATTON. Yes, sir.

Mr. BONYNGE. In the case of fabrics you say it can not be done?

Dr. STRATTON. Not in all cases. But I do not say that those methods can not be worked out; in fact, I think they can be. I am going to put our people to work on it. In fact, we have been working on it to a small extent for some time.

Mr. BONYNGE. But you can tell whether it is new or reworked wool?

Dr. STRATTON. I think so, with a reasonable degree of assurance. These wool manufacturers can tell you better than I can.

Mr. BONYNGE. And any inspection of the manufacturers' books would determine the proportion of each material that entered into the fabric, where it was necessary?

Dr. STRATTON. I should think so. I am not posted on that side of it. But to base this entirely upon an inspection of the manufacturer's books might open the way for the unscrupulous manufacturer to deceive the public.

Mr. BONYNGE. You do not understand that the French bill leaves it exclusively to the inspection of the manufacturer's books to ascertain these facts?

Dr. STRATTON. Well, that should be eliminated if possible. That is to say, it should not be the only means.

Mr. BONYNGE. Then you are not altogether informed as to the contents of the French bill, because that provides for the inspection or examination of the article in the Bureau of Standards or the Department of Agriculture, and the additional safeguard that they may also inspect the manufacturer's books.

Dr. STRATTON. Yes; but, for example, when the Government Printing Office adopted specifications for paper, the manufacturers said that you could not analyze paper. We had many cases of paper come up where the manufacturer said, "You are wrong. We know you are wrong, because we put in 60 per cent of this and 40 per cent of that." But when we came to test out the measure, it was so many shovelfuls of this and so many shovelfuls of the other, and then they objected because we were 2 or 3 per cent out on the basis of investigation by the microscope. It took three or four years to build up specifications and make the tests to show the manufacturers that we could analyze paper by the microscope. Now, this other proposition is not so accurate, but if it could be done, it would make such a law much easier to administer.

Mr. BONYNGE. Then you think it can be worked out eventually?

Dr. STRATTON. I think so. Of course, we would not get very far if we started out thinking that we could not do it.

Mr. BONYNGE. Now, doctor, as to determining the quality of all virgin wool fabrics, could that be ascertained largely by an inspection of the article itself, by its feel?

Dr. STRATTON. Do not talk to a laboratory man about feel; he would surely try to reduce it to measurements.

Mr. BONYNGE. Is not that to a large extent discernible to the naked eye?

Dr. STRATTON. No, sir; I can show you blankets at the bureau that you would say are all wool. You would go by the feel, and then you would take another blanket that is hard and coarse and see holes in it, but it is all wool.

Mr. BONYNGE. Well, you could see the holes in it, and therefore you would know the difference between the two qualities.

Dr. STRATTON. Well, that blanket would feel hard, but is an all-wool blanket. The first one, which was beautiful and soft, you would find was nearly all cotton.

Mr. BONYNGE. But if the blankets are both marked, if one was marked all cotton and the other was marked all wool, then you take another pair of blankets, one marked all wool and the other marked all cotton, and compare the cotton blanket with the first blanket that was marked all cotton, could not a person tell the difference between the two, the wool blankets and the cotton blankets, by examining them?

Dr. STRATTON. By the feel?

Mr. BONYNGE. By the feel and by looking at them.

Dr. STRATTON. No, sir; I do not think so. I think you would have to use a measure of some kind as different people would not judge alike by feel alone.

Mr. BONYNGE. And in the case of two fabrics made of all virgin wool, one of very coarse fiber and one of very fine fiber, do you mean to say that the purchaser could not, by his own feeling of those articles and looking at them, tell that one was coarse and the other was fine?

Dr. STRATTON. If the mechanical treatment was the same, that is true, but the fine wool might be made into a fabric that is much coarser than the other. It is purely a question of mechanical treatment. You have taken just one factor of a great many that might appear, and that is wrong.

Mr. BONYNGE. The user would finally determine the quality?

Dr. STRATTON. Yes, by experience and use, but this to be of benefit to the man who does not know should be reduced to measurement, something definite.

Mr. BONYNGE. And when he got the knowledge of what the fabric contained, ultimately by experience, the relative merits of the two ingredients would be ascertained, would they not?

Dr. STRATTON. Well, to a large extent, but I am not sure that the user could have ever told that a blanket made of a certain portion of cotton would resist the heat or was a poorer conductor for heat than one made of all wool, without measuring in any way. You get into danger when you go into the rule of thumb measures, you get into trouble. The effort nowadays is to get away from this look and feel and smell.

Mr. BONYNGE. That is the reason we want to mark the articles.

Dr. STRATTON. Yes; but to have a mark and then depend upon the feel to see what your mark means would be dangerous.

Mr. BONYNGE. Oh, but the mark would have to show what it means.

Dr. STRATTON. But who is going to say what the mark means, except as to what the content is?

Mr. BONYNGE. But that is a very good first step.

Dr. STRATTON. Yes; that is a very good first step.

Mr. CLARK. Mr. Chairman, may I ask a few questions of Judge Stratton?

The CHAIRMAN. Mr. Clark, it is not the custom of this committee to permit witnesses to cross-question each other, but inasmuch as we have permitted it in the case of Mr. Bonyngé we will allow you to ask your questions.

Mr. CLARK. Dr. Stratton, you have heard that the bill provides that the Government can examine the books of the manufacturer to see whether he has stamped the fabric correctly?

Dr. STRATTON. Yes, sir.

Mr. CLARK. You have also heard that that is to be tested or may be tested by an examination in your bureau.

Dr. STRATTON. Yes; as far as we have methods and ability to do it.

Mr. CLARK. Yes, sir. Let us suppose, for the sake of argument, that you can determine a fabric, we will say, that has 50 per cent virgin wool, 25 per cent of reworked wool, and 25 per cent of cotton. Let us suppose, for the sake of argument, that you can by a test and examination in your bureau determine the exact percentages of each one of those fibers which are in that fabric. Now, is it not a fact that those different fibers, the percentage of which was so and so, as I have stated, on the manufacturers' books; was it not a fact that through all of the processes of manufacture that those different fibers would—every one of them—shrink in a different proportion by the time that they have gotten into the finished fabric, and in that way even if you could by test determine the exact percentage of each, that your test would not agree by considerable with the percentage put into the manufacturers' books?

Dr. STRATTON. That is true to a certain extent; but we could get around that if it misled us in any way. That is, if this shrinkage was sufficient it would not be a difficult matter, I imagine, to determine the amount of shrinkage in each, but you would still have some variation in manufacture of different fabrics. I couldn't answer you offhand as to the amount of that shrinkage. There would be a little difference, but in most cases we could get what we call the coefficient which tells to a given percentage what that shrinkage will be.

The CHAIRMAN. Any further questions?

Dr. STRATTON. I do not want to give the impression that I am not in favor of a branding law. I am. I would like to see a general branding law similar to the pure-food law sufficiently flexible to allow some of these things to be worked out; that is, working toward the plan that is to brand everything as to its composition and educating as to its quality at the same time. I am not opposed to the law, but I am not sure that we are ready to administer it.

(Thereupon, the committee recessed until 2 o'clock p. m.)

AFTERNOON SESSION.

The committee reconvened at 2 o'clock p. m., Hon. Samuel E. Winslow (acting chairman) presiding.

Mr. WINSLOW. The chairman has asked me to open this session and go on with the hearing in his absence for a few minutes. Who is the next witness to appear?

STATEMENT OF MR. BENJAMIN C. MARSH, SECRETARY AND DIRECTOR OF LEGISLATION OF THE FARMERS' NATIONAL COUNCIL.

Mr. WINSLOW. Please state your name and whom you represent.

Mr. MARSH. Benjamin C. Marsh, secretary and director of legislation of the Farmers' National Council, with headquarters in the Bliss Building here in Washington.

Mr. Chairman, in appearing on behalf of the Farmers' National Council on this bill of Mr. French's, I want to say that we are confident that although the farmers' organizations united in the Farmers' National Council to carry out their reconstruction program have not taken a specific vote on this bill, they indorse the general principles of the bill; but recognizing the fact that it can accomplish only certain results, and not expecting too much from it.

In the first place, it is obvious—and I shall not attempt to go into the long arguments which have been made before your committee—that there should be some way by which the public would know what they are getting when they buy clothing. As far as we can see, the enactment of this bill of Mr. French's will not in any way guarantee the farmer a fair price for his product, which, of course, means the cost of production plus a fair profit, nor will it in any way affect the ungodly profiteering of the American Woolen Co. and the other woolen companies. Therefore, we are not expecting, nor indorsing it as expecting, it to prevent profiteering, but it seems to us that if the principles of this bill are carried out it will in some measure at least protect the public.

I bought this suit of clothes about a year and a half ago and I think I paid a reasonable price for it. It seemed to me a very good suit. If you will pardon a very concrete illustration, in about four or five days the trousers began to sag at the knees, the way some party platforms sag six weeks after the party has been elected on it, and it was hardly fit to be seen in public with. Well, I had been stung.

Now, I do not know whether the exact provisions of this bill will accomplish what you want or not. I listened to the discussion of Dr. Stratton this morning with a good deal of interest. What we want is something that will enable the purchaser of material covered by this bill to know what the purchaser is really getting.

It would be foolish for me to attempt to discuss shoddy. I do not know anything about it except from sad experience, in evidently having bought some. I will not say whether that designation of shoddy as provided in the makers' registration number is a technical or scientific term, and whether it will really protect the public, but I want to say this, that you have at your command experts in the Government service who can ascertain just what sort of a registration

record is adequate to protect the consumer or the purchaser of these goods. Now, that is about all we can say, because it is not a question, as I intimated earlier, of which we have made an exhaustive investigation. But as a first step—and it must certainly be regarded only as the first step—it is absolutely necessary that the public should know, that consumers should know, what to buy, and we are not at all worried over the suggestions that have been made that you can not make it perfect as a starter. It has got to be a matter of experimentation, and we would like to see the principle of this bill enacted into legislation.

It is a question whether the penalties for the retailer are so severe that it will be difficult to enforce them. Probably not. The way the profiteers have gotten off up to date would indicate that you might just as well have made it 100 years' imprisonment and Rockefeller's wealth as a fine, so far as that is concerned. But, nevertheless, some such legislation ought to be promptly enacted, because the American consuming public are getting extraordinarily distrustful of the power of their Government to protect the workingman on the farm, the factory, in the city, in the mine, or on the railroad from the profiteers; and if the technical terms used in this bill are not absolutely accurate, that is a matter which we can not pass on; you have experts who can tell you whether the phraseology is correct and scientific. The principles are admirable, and we want to indorse them and urge the enactment promptly, to carry out what we conceive to be the purport and purpose of this bill within the specified limitations cited.

I think that covers our statement, Mr. Chairman and gentlemen of the committee.

Mr. WINSLOW. Would any member of the committee like to ask Mr. Marsh any questions? If not, who is next to be heard?

Mr. BONYNGE. Mr. Walker, who appeared before the committee the other day, was asked to come back because some member of the committee desired to ask him some questions. He is here now and would be glad to answer.

Mr. WINSLOW. First, we want to call Mr. McGowan, of the Bureau of Standards, who has been brought here for the special purpose of making a statement. We can hear Mr. Walker later.

Mr. BONYNGE. Yes, certainly. I did not know Mr. McGowan was here.

Mr. WINSLOW. After these officials are heard, you can proceed for the rest of the afternoon.

STATEMENT OF MR. F. R. MCGOWAN, CHIEF OF THE TEXTILES DIVISION OF THE BUREAU OF STANDARDS.

Mr. MCGOWAN. Mr. Chairman, I have been present at these hearings, and was here a few days ago and heard what was said, and I think my best position in this case would be more to answer questions than to give out information. I do not think that I am able to enlarge very much on what you have already heard, although I agree to a large extent to what has been said by the manufacturers; or, in other words, I do not see the possibility of labeling fabrics—that is, to the extent of how much wool and how much shoddy they contain.

It is possible, I believe, to mark a fabric "so much wool," wool meaning virgin wool and shoddy; and it is possible to mark the percentage of cotton or other fibrous material.

As for the identification of fibers in fabrics, chemical and physical analyses show that it is possible to obtain the percentage of cotton and wool; but no methods have been devised whereby virgin wool and shoddy can be detected. Their presence, at a rough estimate can be sometimes determined, but in that case there is the need of skilled help, and the use of a microscope. I do not believe that counting the number of fibers in the thread can give one any idea as to whether or not it is a virgin wool or shoddy fabric. By "shoddy" I mean reworked wool.

I believe the manufacturers of woolen worsteds are honest in what they say as to the manufacture of woolen fabrics. Their statement as to the 55 per cent of the yardage of woolen and worsted fabrics produced in this country seems to me probably correct.

The legislation as proposed by the French bill has in it a great number of complications. Not only is it not possible to detect just what the fibers are, and the fiber contents and percentage, but I do not believe it satisfies the demands of the question. I believe that a bill of this sort is a great many years ahead of its time, for the reason that the people have got to be educated to buy what they want and to tell them what the French bill proposes would tell them nothing, practically, as to what they would really want. Without any question, if a person goes to a store to buy a suit of clothes, it is my contention that he wants to get a good suit of clothes, and he buys them for wearing quality and not upon whether they contain shoddy or virgin wool. Personally, when I go to a store I do not demand an all-wool fabric, although I am somewhat familiar with the all-wool fabric business. Price is perhaps the important consideration, but I do not demand an all-wool fabric; and I think the public, when they buy a suit of any fabric, want to buy it on its qualities, for endurance and wear, and not upon its price or what it contains.

(The chairman at this point resumed the chair.)

Mr. SANDERS of Indiana. Were you here when the testimony was given as to the amount of wool that the Government had on hand now—virgin wool?

Mr. McGOWAN. No, sir; I was not.

Mr. SANDERS of Indiana. Well, it was shown in that testimony that the Government had on hand a great deal of what would under this bill be labeled "virgin wool," but which, nevertheless, was a very poor quality of wool. Now, that, no doubt, must go on the market at some price. They will keep on reducing the price until they do get it sold.

With all of that wool now going on the market, would it not afford the dishonest manufacturer an opportunity to palm off that wool on the public, perhaps at an unreasonable price, because it would have labeled thereon "virgin wool, 100 per cent?" Would not the tendency of the public be to buy that wool in preference to, say, something else that was labeled 40 per cent shoddy, which might, nevertheless, be 50 per cent better?

Mr. McGOWAN. I believe if you educated him to the fact that it was better, if he thought so he would buy it.

Mr. SANDERS of Indiana. If you stamp on a fabric that it is virgin wool, and you so label it, that tends to impress it as a fact that virgin wool is better than any sort of reworked wool?

Mr. McGOWAN. Yes.

Mr. SANDERS of Indiana. That is the tendency?

Mr. McGOWAN. That is the tendency.

Mr. SANDERS of Indiana. And that label being given to the public, made up of people who have not made any study of the subject, the tendency is to make the public think that virgin wool is better always than reworked wool?

Mr. McGOWAN. I think so.

Mr. SANDERS of Indiana. And, as a matter of fact, that is not true?

Mr. McGOWAN. No, sir.

Mr. SIMS. You think this legislation is ahead of the times—ahead of the age?

Mr. McGOWAN. I think so.

Mr. SIMS. When do you think we will reach that stage of civilization and enlightenment that will enable us to safely enact and put into effect such a law?

Mr. McGOWAN. I could not answer that question in definite years.

Mr. SIMS. But you think that we have not reached it at this time?

Mr. McGOWAN. I think it is ahead of its time.

Mr. SIMS. You know something about the development of the human race and you know what to expect along these lines?

Mr. McGOWAN. I do not know about the future, but I could, perhaps, understand what the present situation was.

Mr. SIMS. You spoke about educating people, and I suppose you would not think, until you got them educated, of passing legislation of this kind; and the only question with me is, when education comes from actual experience, how a man is ever going to learn anything about the matter, how he is going to know about it, without ever making any trial of the matter.

Mr. McGOWAN. When test methods are devised whereby the wearing quality of a fabric can be determined, so as to show the public that certain fabrics are better constructed, and so eventually will give better results than other fabrics.

Mr. SIMS. How many years do you think it will be before the general public, without any technical education, will read that with advantage?

Mr. McGOWAN. I would not say. It is more a question for a prophet.

Mr. SIMS. You are positive that we are not that far along now?

Mr. McGOWAN. I think so. I do not think we are sufficiently educated.

Mr. SIMS. I have a better opinion of the stage of advancement of the people than you have. I do not think that we need to wait for a distant future.

Mr. McGOWAN. Why say that, when a person who goes down to buy a suit of clothes can not tell, nor can anybody else, how long it is going to wear from looking at it?

Mr. SIMS. No; but we are proposing that the manufacturer, where he does use all virgin wool, shall so stamp or weave it or impress it on the cloth, so that anybody else who buys it with that stamp on it, though not educated and far behind the age that you have in your mind, would know at least that it was all virgin wool.

Now, I do not see, if we are in darkness and need all the knowledge for protecting ourselves we can get, why we should not let the manufacturer, who knows exactly what goes into the fabric, and whether or not he does make it out of virgin wool, and whether it is coarse or fine wool, simply let it appear on the cloth somewhere that it is virgin wool, or that it is made out of shoddy, or part shoddy, or whatever it contains. It looks to me as though if a man is in such a state of terrible helplessness he ought to be protected in some way until he reaches that stage where he does not need protection.

Mr. McGOWAN. I do not think the information would help him to buy a suit of clothes.

Mr. SIMS. Suppose that was stamped on there by the manufacturer?

Mr. McGOWAN. That would not tell him how long it would wear.

Mr. SIMS. Nobody is asking any manufacturer to stamp on a piece of cloth how long it will wear, because one man would wear it much longer than another.

Mr. McGOWAN. That is right.

Mr. SIMS. Some people are much harder on their clothes than others.

Mr. McGOWAN. That is true.

Mr. SIMS. Nobody would ask anybody to stamp on a piece of cloth how long it would wear. There would be different qualities of fabrics, and all might be made out of virgin wool, just as there are different qualities of fabrics that are made out of reworked wool, but he would at least be permitted to understand so that he might invest in an article made of virgin wool instead of a reworked or rehashed shoddy; and we would just leave it to him whether he would want to try it or not. I have bought some clothes made of shoddy, sometimes, that I could hardly get home with them in good repair. I did not know they were shoddy, either, but I always remembered afterwards, after I had tested them out, that they were.

Now, why should not the manufacturer, who does know what he is putting into the cloth, what material he puts into it, be required to enlighten the rest of us who are in the valley of darkness and unable to protect ourselves in any other way? Why not have it done, regardless of how long it will wear, or anything else about it?

Mr. WINSLOW. Judge, do you want him to answer some of these questions?

Mr. SIMS. Yes; the one I have asked.

Mr. WINSLOW. What was the one you wanted him to answer?

Mr. SIMS. The one that I just asked, why that should not be done; if the manufacturer knows what is in it, why he should not be required to put some description on it when he sells it.

Mr. WINSLOW. Can you answer the question?

Mr. McGOWAN. Yes; I know what he asked me. I believe that the manufacturer could do it, but I do not believe there is any necessity of it. I do not think it tells the public anything.

Mr. SIMS. You do not believe that, because you think the public has not received education sufficient enough to receive such information as that?

Mr. McGOWAN. No; I do not know that it is exactly that. I think you are taking the extreme, there, of what I have said. As far as education is concerned, I do not believe the public is ignorant at all.

I believe everybody could learn a few things, and we have yet to learn something about the wearing quality of textiles.

Mr. SIMS. Everybody who can read English could read whether a thing was branded one thing or another.

Mr. McGOWAN. Whether it was marked 100 per cent wool; but I do not see that that is going to tell a man anything. I believe it is more misleading, because some shoddys are better than some wools.

Mr. SIMS. You want to go on record, then, as being in favor of letting the manufacturers get all they can for their shoddys, and let the people take what they have been taking as the result? In other words, we have not reached the stage where we can be made safe, not even to take the first step?

Mr. McGOWAN. I believe the legislation as outlined by the misbranding bill is a good step, as you call it.

Mr. SIMS. That is all right, and I am glad to have it; but that is not requiring them to brand their products what they really are, but they can let it go unbranded entirely. But if they do brand it, they must brand it as to whether it is virgin wool or reworked wool.

Mr. PARKER. Are you the textile expert of the Bureau of Standards?

Mr. McGOWAN. Yes, sir.

Mr. PARKER. You are the head of the Textiles Bureau?

Mr. McGOWAN. Yes, sir.

Mr. PARKER. Of course the people in whose interest we are trying to enact the bill are the general consuming public. Here is a bill that is based on pure wool. Now, do you not think we should have some other standard than the pure wool standard?

Mr. McGOWAN. Yes, I think so.

Mr. PARKER. I mean, for the protection of the public?

Mr. McGOWAN. Yes; I think so.

Mr. PARKER. It seems to me that the amount of wool in a fabric cuts no figure in the wearing quality or the value of the cloth, etc. In other words, if we are going to stamp cloth in some way, let us stamp it so that it will help the consumer irrespective of how much wool or shoddy it has got in it. Do you not think it is better for the public?

Mr. McGOWAN. I think so.

Mr. PARKER. That is the way it seems to me. It seems to me it has been clearly demonstrated by a lot of people that some shoddy is better than some that is not shoddy. I always supposed that "all wool" meant something until I heard this testimony, and now I am firmly convinced that you can have better cloth made of shoddy than you can of all wool; but it seems to me that the standard ought to be the wearing qualities of the cloth instead of the amount of wool the cloth has in it. Do you understand that?

Mr. McGOWAN. That is what I mean to bring out.

Mr. WINSLOW. What was your answer?

Mr. McGOWAN. I said that was what I meant to bring out.

Mr. DEWALT. It was stated by some one here not connected with the Bureau of Standards that even with your chemical tests it was practically impossible to determine the amount of reworked wool that there was in a fabric. Is that correct?

Mr. McGOWAN. I believe so; that is, the actual percentage, whether 40 per cent shoddy or reworked wool and 60 per cent virgin wool.

Mr. DEWALT. Do you mean by that that you could detect that there was some shoddy in the fabric, but you could not determine the quantity thereof?

Mr. MCGOWAN. Exactly. Although I am not able to do it myself, I believe some experts, namely, buyers, can tell what they are getting.

Mr. DEWALT. Now, if the witness has already answered these questions I am going to ask on this, I will not go any further. I do not know whether he has or not.

Mr. WINSLOW. I do not know.

Mr. DEWALT. Would your chemical analyses or tests be able to determine the quality of virgin wool if the fabric was all virgin wool?

Mr. MCGOWAN. As for certain tests, we now have them that could determine the physical qualities, I think, and we could tell whether it was all wool or not.

Mr. DEWALT. But I was speaking now of the quality of the virgin wool itself. Would you by your tests be able to determine as to whether this was high-grade virgin wool or whether it was low-grade virgin wool?

Mr. MCGOWAN. I believe so.

Mr. DEWALT. You would? There is a difference, as witnesses have stated, between virgin wools, depending upon the breed of the sheep and other circumstances. Now, have your tests thus far been able to determine as to these various grades?

Mr. MCGOWAN. No, sir; we do not go into animal husbandry. I think that belongs to the Bureau of Animal Husbandry, to determine the different grades of wool.

Mr. DEWALT. From your experience as a tester of fabrics, if you have had any—have you had any?

Mr. MCGOWAN. Yes, sir.

Mr. DEWALT. Yes. Well, from your experience as a tester of fabrics, would you be able from such tests to establish a standard of manufacture in regard to the percentages of virgin wool, we will say, and shoddy?

Mr. MCGOWAN. Do you mean a standard of varieties or a standard of composition?

Mr. DEWALT. The standard of utility, and utility is expressed, in my thought, in the wearing quality of the fabric, and its protection to the body.

Mr. MCGOWAN. Not now. We have no such tests.

Mr. DEWALT. You have not gone that far?

Mr. MCGOWAN. No, sir.

Mr. DEWALT. Then I understand you to say that it would be practically impossible, with the knowledge that you now have, to establish such standards by your tests.

Mr. MCGOWAN. We are trying to determine means of measuring wear, and we have been the last six months working on it, but as yet we have not been able to determine the wearing qualities of different fibers.

Mr. DEWALT. That being so—and you are admitting that it is practically impossible to establish standards upon the plan that I have tried to outline—what is your judgment as to the feasibility, so far as the knowledge of the public is concerned, of establishing marks upon the goods themselves? If you people are not able to determine, how would they be able to determine?

Mr. McGOWAN. You mean marks which state the standard?

Mr. DEWALT. No, to tell the quantity. You say, as I understand you, that even if the goods were marked 50 per cent virgin wool, or 75 per cent shoddy, and 25 per cent cotton, that you would be unable to determine the quality of this virgin wool by your tests, because there are different qualities of virgin wool? You would be unable to detect the quality of the shoddy that was in it, and you would not be able to determine even the quantity of shoddy that there was in it. You could say there was some shoddy but could not tell how much?

Mr. McGOWAN. Yes.

Mr. DEWALT. Now, if even you, with your chemical knowledge and analyses, could not determine the utility and the wear of that article, how would the public, simply by having this mark upon the goods, be able to determine? Would they be more or less able than you?

Mr. McGOWAN. At the present time we could not do it, but I think after experimenting on it we perhaps could give some information to help them in judging of fabrics. But at the present time I do not believe you could put any mark on a fabric that would help them out at all.

Mr. DEWALT. So that, as a practical chemist working in the Bureau of Standards, you would say that the establishment of standards at this time for such fabrics would be impracticable and not of any use to the public?

Mr. McGOWAN. I do not believe they would be. I believe it would take some years to do it, too.

Mr. DEWALT. What do you think as to the practicability, so far as the public is concerned, of marking goods, say 50 per cent of virgin wool, 25 per cent of shoddy, and 25 per cent of cotton? Would that give any useful information to the customer except the mere fact of the percentage?

Mr. McGOWAN. I do not believe it would. I do not believe it would help him out in buying or selecting his fabric.

Mr. DEWALT. That is all.

Mr. BONYNGE. You can determine tensile strength by the examination of a fabric, can you not?

Mr. McGOWAN. Yes, sir. I do not believe the tensile strength has any importance in determining the quality of the fabric.

Mr. BONYNGE. It differs somewhat about its durability, does it not?

Mr. McGOWAN. Yes; but it is just one test.

Mr. DEWALT. Just one more question. In the manufacture of these fabrics do you know as to whether or not the process of manufacture differs in various mills? Have you any information as to that?

Mr. McGOWAN. I believe the manufacture is practically the same up to the finishing. I believe that different manufacturers give the products different finishes.

Mr. DEWALT. In establishing standards, if you could establish standards, would you be obliged, in order to make your standards accord, to have knowledge really of the practice of manufacture as well as of the constituent parts of the goods?

Mr. McGOWAN. I believe so.

Mr. DEWALT. And, therefore, if the process of manufacture differs, either by the machinery being different or the use of the machinery being different, the standards would either fall or rise accordingly?

Mr. McGOWAN. I think so. - Manufacture constitutes one of the variables which must be considered in making conclusions of wearing tests.

Mr. FRENCH. Mr. Chairman, two evenings ago Mr. Walker, of Ohio, was testifying when you adjourned, and the following morning he gave way, although several members of the committee wanted to question him, in order to permit some other gentlemen to come on who wanted to catch their trains and get away. Mr. Walker is now here and would be glad to come before the committee for any further examination desired.

The CHAIRMAN. Very well.

STATEMENT OF MR. J. F. WALKER—Resumed.

Mr. WALKER. I am only here, gentlemen, for such questions as you want to put to me.

Mr. MERRITT. I took some notes, Mr. Walker, with reference to some of your testimony. I think you spoke of a suit of clothes that had been bought by a friend of yours which had worn badly. Do you happen to know whether the cloth that your friend had contained shoddy?

Mr. WALKER. I think possibly that was some other gentleman who made that statement. I recall the statement being made that some man was sitting beside a man on the train who made that statement. That was not in my statement.

Mr. MERRITT. I thought you spoke of a man who had paid \$30 for such a suit of clothes.

Mr. WALKER. No, sir; I did not make that statement.

Mr. MERRITT. Then, of course, you can not testify about this.

Mr. WALKER. I can not testify as to the experience he had.

Mr. MERRITT. I thought you were the gentleman who testified to that.

Now, is the quality, the poor wearing quality, necessarily so because it contains shoddy?

Mr. WALKER. Not necessarily so, no; I should not say. I do believe, and I think that the testimony has been developed here, that shoddy made from wool is inferior to the virgin wool from which that shoddy was reworked.

There is one point I wish to bring up there, gentlemen, and that is this: There seems to be an impression in the minds of this committee, generally, that these low-grade wools we are speaking of are wools inferior in wearing quality. Frequently they are not. The bulk of these so-called low-grade wools are wools of magnificent wearing qualities. The Scotch tweeds and cheviots, for instance, are not made from what we term fine wools. They are made of low-grade wools. The vast quantity of low-grade wool that they have on hand here in the United States, much the largest percentage of it, is so low that it would not be used in the manufacture of cloth at all; it will go into other things, such as carpets and felt, and so on.

Mr. PARKER. Things requiring a great deal of weight?

Mr. WALKER. Yes; it does not enter into the composition of cloth so much, and I do not think that the percentage of low-grade wool, so far as low wearing quality is concerned, is in any material amount. I do believe that a man runs a better chance of securing value for his

money in getting something that he knows is first-hand than after its is reworked. If you will permit me to make an illustration, suppose a man gets a suit of clothes manufactured out of new wool that is not satisfactory. He stands a very much better chance of getting satisfaction out of another suit of clothes made out of new wool, because the percentage of bad new wool is negligible, than he does out of getting such a second suit made of reworked wool; just as a man who gets a bad automobile tire of a standard make stands a better chance of replacing it with a good tire by going and getting another tire of the same standard make than he does by going somewhere else and buying a secondhand tire that has been used for some time and repaired.

Mr. MERRITT. Most of the conversation here has been about the wearing quality of cloths.

Mr. WALKER. Absolutely.

Mr. MERRITT. The question whether a wool is fine or coarse, you say, has no material effect—

Mr. WALKER. Not as to service. It might have some effect as to warmth and finish. Absolutely it would have, for finish. It might have for warmth. But as to actual service I do not believe it would have any effect.

Mr. MERRITT. Will not some very fine wools go very high in price? Are there not Cape wools, that have no wearing quality to speak of at all, that are very high in price?

Mr. WALKER. I do not know what the tensile strength of Cape wools is. I do know that we are not producing any high-priced wools in America that are low in tensile strength. I do not think the Australian wools are quite as strong in fiber as the American wools, but they are strong, so that they give good service.

Mr. MERRITT. But the point I have not been able to get out of my mind, and it seems to me is of very great effect on this legislation, is that if, as I think it has been suggested by somebody, we have the constitutional power to provide that any cloth that is made of virgin wool, or any cloth that is made of wool, must be labeled "virgin wool." Now, if we could go as far as that, would it not be true that there might be a great range of values for all sorts of purposes under such a law as that?

Mr. WALKER. I do not think that it is the intention of the growers or producers of wool, or of the consumers of wool, to ask you gentlemen to go that far.

Mr. MERRITT. I understand that; but I was only asking, assuming that that might be so.

Mr. WALKER. I would not want to entertain any considerations on a subject that I think is entirely out of the question. We are not asking that shoddy be prohibited, or that it be not labeled wool, because it is wool; but it is not wool of the first time of usage.

Mr. MERRITT. And under this bill there would be a lot of cloth made that would be labeled "pure virgin wool?"

Mr. WALKER. I would not say a lot of that low-grade cloth. There might be a negligible quantity of it, but you could not make a large percentage, because there is not a large percentage of that kind of wool.

Mr. MERRITT. It is stated that 60 per cent of all the cloth now made is made of virgin wool.

Mr. WALKER. I think I did contradict that, and show that it was dependent on the amount of wool imported in the last two years and the amount of wool grown and the amount of wool on hand, and that it would not be possible.

Mr. MERRITT. I thought you did testify to that fact; but you were basing it on the yardage?

Mr. WALKER. If it was manufactured of 50 per cent shoddy, the average weight per yard would be 10 ounces, and that is a very light weight cloth. Now, that is assuming 50 per cent shoddy.

Mr. MERRITT. The percentage is very material from my point; but there would be a lot of cloth made from pure virgin wool under this bill, and I have not heard anybody who testified that that would give any sure indication of what you are going to get. Now, the whole thing comes back to whether you want to tell the truth about the fabric. But how are you going to tell the truth? We all would like the truth if we knew how to get it.

Mr. WALKER. Absolutely. Our pure-food laws do not extend the standard of quality much, I do not believe. One man may put up a certain product in a can and it might contain so much. Another man might put up the same sized can that might contain a higher grade of the same edible product. If both of those products are put up pure, according to the pure-food laws, they can both label them as pure-food products, but there may be a great difference in the relative value of the products. The consumer can determine that.

I feel that the consumer is educated to an extent. He is educated to that extent that he should be given the option of buying the thing that he sets out to buy, absolutely. If he finds that cloth of a certain feel and quality, lighter woven, made out of looser-spun yarn, and of light weight, does not give good service, the next time he makes a selection it will be of a different cloth. If he buys a cheap suit from a dealer and does not get a good suit; he will go next time to a different dealer.

Mr. WALKER. I have not looked at these samples of fabrics that you have here, but I believe that you could tell the difference, if you felt those cloths, in the feel of them, and you do not need to look at the tags; but I believe that there is no one who could determine some of the qualities in those fabrics.

Mr. MERRITT. I might guess right, but I heard the Chief of the Bureau of Standards, Mr. Stratton, say that the feel was a very unreliable test.

Mr. WALKER. That is true; but I know people that have for years picked cloth by its feel and appearance, and have gotten good service, where those that picked their cloth by recommendations did not get service.

The point is this: You are eliminating a great deal of the speculation that exists in the buying at the present time. If virgin wool is better than shoddy, then the people will ask for virgin wool. If shoddy is better than virgin wool, then the people will ask for shoddy; and we men who are in the sheep business can simply get out of the sheep business.

Mr. PARKER. You would not have any shoddy, then, if you got out of the sheep business. Shoddy comes from the sheep, just the same as your virgin wool.

Mr. WALKER. You will not have sheep raised in the United State to any appreciable extent for very long, unless something is done to protect the industry.

Mr. MERRITT. You contend that this French bill itself would protect the industry?

Mr. WALKER. I believe it would be one of the greatest things to put the industry on a firm foundation that has been done for years.

Mr. MERRITT. Would not there be a great temptation to manufacturers—I will not say dishonest or not—who wanted to make a cheaper cloth, to import cheap virgin wool from outside?

Mr. WALKER. I do not believe they will bring in any quantity of cheap virgin wool from the outside and attempt to manufacture it into cloth, because people will not purchase the cloth that has not the feel. If you manufacture it into a poor cloth, the very feel of the article will tell that to a large extent. I think anybody can use a certain amount of judgment. I can not tell, when it is a thick, heavy piece of cloth, if it is new or fresh wool, but I know that it will wear. It may be filled up with shoddy, and not wear two weeks. It may rub right out.

Mr. MERRITT. I would like to see the growers get a profit so that their wealth would increase tremendously; but it seems to me in the textile business you have got to control it some way as to the world's supply. That is where you are weak. In war times you were amply protected.

Mr. WALKER. No, we were not. We received less than ever we did, on the open market.

Mr. MERRITT. You did? That is true?

Mr. WALKER. Absolutely.

Mr. MERRITT. You seem to have gotten along well in war times.

Mr. WALKER. We got along because we said we would stay in the business and produce the wool. Wool has been produced at a loss in the United States, very largely, in the last three or four years.

Mr. WINSLOW. Has the whole wool business been done at a loss in the United States?

Mr. WALKER. No; not always; but wool has relatively been cheaper, in the last three or four years.

Mr. WINSLOW. I will ask the stenographer to read the next to the last answer of the witness.

(The answer referred to was read by the stenographer aloud as follows:)

Mr. WALKER. We got along because we said we would stay in the business and produce wool. Wool had been produced at a loss in the United States, very largely in the last three or four years.

Mr. WALKER. I was speaking of the section that I represent, largely, east of the Mississippi River.

Mr. WINSLOW. You qualify it now?

Mr. WALKER. I can not speak for the West. I have spoken, and can speak, only for the section that I represent, that east of the Mississippi River.

Mr. PARKER. Do you think that the fact of the Government activities with reference to the control of wool had anything to do with your handling wool at a loss—the Government's interference?

Mr. WALKER. I do not care to go any further into that than I have.

I appeared before the War Industries Board on several occasions when the question of prices was taken up, and the price actually stated was materially lower than the price that was current the day the wool was taken over; and we feel that we did take an approximate loss of 20 or 30 per cent on what wool would have gone for.

Mr. PARKER. Some of the wool raisers in my own section said they lost money.

Mr. WALKER. I do not want to go into that. That is past history; and we are mighty glad to have had some wool for the Government. The complaint as to that situation is based on the fact that wool has dropped 14 per cent to the grower this year below what it was last year. At the same time, the price of woolen cloth to us has advanced.

Mr. PARKER. Would you be in favor of legislation that would require the producers of wool, when they went to market it, to label it corresponding to the grades?

Mr. WALKER. No; because the grower is not familiar with his grades. Half of the buyers do not know the grades of wool. Half of the men sent out by the large wool houses are not familiar with the grades of wool. They simply have instructions to buy at a flat price a certain quantity of wool in certain sections. I would say this: In our State it would be a penitentiary offense for a man to go out and pick up wool taken off of sheep that had died and put it inside of fleeces from live sheep to be used; and I would hate to undertake to wrap up an old suit of clothes in a fleece and attempt to sell it. The manufacturer is entitled to protection to that extent. I hold no brief for the grower. I claim that I have the same right to go down town and buy the same suit of clothes that will give me service, and know whether or not it is made out of sheep's wool that has been only used once. If my judgment is wrong, I can correct it next time. It may be that a suit of clothes wrapped up in a fleece would be of more value to the manufacturer than the old fleece that surrounds it; but it is not right, and we should be protected to some extent. I am not saying that the manufacturers are dishonest.

The question was raised by Mr. Winslow, Should our manufacturers put a name in the cloth? No one has an automobile or a farm implement of any sort but what the trade-mark of the man who made that implement is on it; and if it does not give service, you have got recourse, because you know the man. I would be perfectly willing, if I could get Mr. Whitman or Mr. Francis or Mr. Clark to consent, to say, "Here, these are our products." Then, if it did not give service, I would know who to go back to. But we can not, because these cloths come out with no identification on them. And the retailer, if he is honest, when you ask him about the cloth, says, "I do not know." We want to know. A little knowledge may be a dangerous thing, but the absence of any knowledge at all is what has made soviet Russia at the present time, and it is only by collecting a little knowledge at a time that people can become educated.

Mr. SIMS. The branding or labeling of goods made out of virgin or new wool would cause wool to sell higher, and the fabrics made out of it to sell higher. The manufacturer, of course, would get that much more for that kind of cloths, would he not?

Mr. WALKER. I would think so.

Mr. SIMS. In other words, the manufacturer would make that much more profit?

Mr. WALKER. No, no.

Mr. SIMS. And if anybody lost, it would be the consumer. If the consumer does pay a higher price, upon the average, for fabrics now made out of wool than has ever been previously manufactured, and he is satisfied and wants it that way, the manufacturer is not hurt by it, and the woolgrower is benefited, and the wearer of the fabric is benefited, why is there such an opposition to that taking place; and when the amount of virgin wool consumed, compared to the amount of shoddy used, is very much less?

Mr. WALKER. I can not understand why there should be any legitimate objection. If it be true that virgin wool will not wear longer, will not give greater service, and is going to cost the consumer more, it is going to react on the woolgrower, is it not? We are the men who are going to suffer, and if we felt that we would be very foolish to stand up here and argue that. We believe it will protect the consumer, and we believe that the men who will be benefited by this measure will be a large proportion of the consuming public of the country. The farm bureaus represent 5,000,000 consumers, and that federation is squarely behind this proposition. Not one-third of that 5,000,000 consumers are men who are interested in one way or the other in the production of wool.

Mr. SIMS. Is it conceivable or thinkable that manufacturing wool one time and wearing it out in that form of manufacture, and then remanufacturing from the remains of that fabric into a new piece of shoddy, that that shoddy would be better than the original cloth?

Mr. WALKER. I can not see how it would be.

Mr. SIMS. Would it not have to be, in order for shoddy to be injured on its merits? If shoddy gets better by being shoddy, we ought to protect the shoddy against the virgin wool.

Mr. WALKER. Certainly.

Mr. SIMS. And inasmuch as it is impossible for it to become better by being manufactured, worn out, and put into cloth again why is there any objection to the fact being known that it is shoddy, and that virgin wool is virgin wool, if the product made of it is a better fabric, and let the people pay for each as they themselves desire to pay? They can get either. They are both offered to them. How is it possible—who is going to be deceived?

My colleague is talking about how it does not tell the buyer, who can not tell how bad the shoddy is or how good the virgin wool is; but if the facts themselves are laid before the people they will be the judges and buy accordingly. Shoddy will be there for them and part shoddy will be there for them. All virgin wool will be there for them and part virgin wool be there for them. So that, upon the whole, how is anybody hurt by passing a bill like this?

Mr. WALKER. It not only can not hurt anybody but it will be of material benefit, because it will give the public some idea as to how to discriminate between the value of a product used the first time and the value of a product used the second time.

Mr. SIMS. I think that is the truth. How many million pounds of wool are used in the Nation?

Mr. WALKER. Approximately 600,000,000 pounds of grease wool.

Mr. SIMS. That is home-grown and imported wools together?

Mr. WALKER. Yes, sir.

Mr. SIMS. How much shoddy?

Mr. WALKER. That we can only estimate, because we have no figures as to shoddy except the figures given here—I do not recall them—in 1914.

Mr. SIMS. What is it, something over 180,000,000 pounds?

Mr. WALKER. One hundred and eighty-five million or one hundred and eighty-six million.

Mr. SIMS. Let us suppose it is 200,000,000 pounds and virgin wool 600,000,000 pounds; there are 600,000,000 pounds of wool and 200,000,000 pounds—

Mr. FRENCH. No; it is approximately 100,000,000.

Mr. SIMS. Well, that is all the better; if there are 600,000,000 pounds of virgin wool sold in the United States and less than 100,000,000 pounds of shoddy. If we are going to legislate in relation to a product, why not legislate for that which goes into use in a proportion of 6 to 1 or more than 6 to 1? Why be so tender about this 185,000,000 pounds and so inconsiderate of the 600,000,000 pounds?

Mr. WALKER. I can not understand that at all. If you will permit me, I would like to read this, which is from a statement by Mr. Haskins. It appeared in the Daily News Record, September 8, 1919, credited to Charles M. Haskins, secretary of the National Association of Waste Material Dealers. This is just a portion of the article. [Reading:]

For years the clothing trade—

This is the secretary of the rag pickers' association, the men who gather up this waste material, who says this:

For years the clothing trade have, in a sense, been taking money under false pretenses, in that they have emphasized the fact by advertising and other methods that their goods were all wool. Their statements were true enough, even though 50 per cent of their wool goods might have been wool shoddy. But the average person has bought such goods with the belief that all wool meant virgin wool. Now, * * * the cat is out of the bag. Certainly all the clothing manufacturers can not claim they are making nothing but virgin wool fabrics, because careful students of the subject have developed the fact that all the virgin wool in the world only allows 14 ounces a year to each man, woman, and child living outside of the Tropics.

There is a statement that you might be interested in, in connection with the proportion of virgin wool and shoddy.

Mr. MERRITT. It does not say anything about the proportion.

Mr. WALKER. It is admitted that it takes 12 pounds of wool for each person in the United States for a year.

Mr. MERRITT. That it takes that much or that there is that much?

Mr. WALKER. It takes about 12 pounds for the year for a person. I think it takes 16 pounds, does it not, to outfit a soldier?

Mr. CLARK. More than that for the soldier, to replace his uniform each year.

Mr. WALKER. I mean for the full equipment; 16 pounds of grease wool?

Mr. CLARK. No; it is nearly 21 pounds.

Mr. JONES. Then there must be shoddy in the clothes that people wear?

Mr. WALKER. There must be.

Mr. JONES. Then why not tell them about it?

Mr. WALKER. That reminds me of the argument that was made in regard to oleomargarine.

Mr. SIMS. What is the difference between the pure-food law and this fabric law?

Mr. WALKER. I see none, because I know that the oleomargarine people used to argue actually that the fat from the inside of the cow, which was used in oleomargarine, was not different from the fat that came out of the cow through the udder; that they were both animal fat.

The CHAIRMAN. Section 9 of the French bill, in detailing the fabrics, under section 20, "Marks on the fabric," says:

1. Contains not under ——— per cent virgin wool.
2. Contains not over ——— per cent shoddy.

Is that a percentage based on weight or quantity?

Mr. WALKER. On weight, I should say.

The CHAIRMAN. Ought not that section to state whether it is weight or quantity?

Mr. WALKER. Perhaps that would be better. I think the cloths are all handled by weight. We speak of a cloth weighing so many ounces to the yard, and so many pounds to the bolt. They are spoken of nearly always by weight; and scoured wool would be determined nearly always by the weight. I think that refers to weight alone instead of quantity. You would have no way of estimating the quantity except by weight.

The CHAIRMAN. I called your attention to that because I did not know whether it was quantity or weight.

Mr. WALKER. You could not determine it by quantity.

The CHAIRMAN. Are there any other questions? If not, we are obliged to Mr. Walker.

Mr. CLARK. Mr. Chairman, Mr. Goodall is here and we would like the committee to hear him.

The CHAIRMAN. Very well.

**STATEMENT OF HON. LOUIS B. GOODALL, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MAINE.**

Mr. GOODALL. I did not expect to appear before the committee to-day. I have not prepared anything to say, only in a general way. I want to say, in my opinion, that this bill is entirely impractical. It can not be worked out. We start in on taking the stamping of the fabric. If you take a lightweight fabric and stamp that on the back, the stamp will show through.

Take light palm beach goods, and the stamp will show through that. That is one thing that is against it.

Then, another thing, talking about wear, there is one point that I do not think has been brought up here about virgin wool. I have had wool offered to me by wool dealers which, if you take it up in the usual way and test it, you could pull it apart almost as easily as tissue paper. That is caused by the fact that at a certain season of the year sheep have not had proper feeding or proper water; if you take the wool fiber and examine it under a microscope, if that sheep has not been properly fed, or there has been lack of water, you can see where it dwindles down to a very fine fiber. That fiber does not carry through at a uniform size and strength. Now, if that kind of wool is worked into a garment, it makes a very weak one; and if it was, any manufacturer could honestly brand that as virgin wool, and still the cloth would be very poor wearing cloth.

Now, of course, there are all kinds of virgin wools, the same as there are all kinds of shoddies. There are certain very short virgin wools. If made into a fabric, that fabric would wear much less than a fabric made of long virgin wool with 25 or 30 per cent of good reworked wool in it. There is a certain kind of wool in the trade known as vat wool. It is where they take the sheepskins and soak them in lime water and then scrape off the wool—known as pulled wool in the trade—and there is more or less of the short wool that floats on top in the vat, and they skim that off. It is very, very short, probably not more than three-eighths or one-half inch long. A manufacturer could make that into a cloth and stamp it, honestly, "virgin wool," and it would not be worth a continental to wear. So, for that reason, my opinion is that this stamping "virgin wool" does not mean anything to the consumer. In my opinion the best way for a consumer to know the value of the cloth he is buying is from the price that he pays for a suit of clothes. You may go into a clothing store and see two suits, one marked \$50 and another \$30; a man of intelligence would know that a suit for \$30 must be largely made of shoddy, whereas the \$50 suit is probably made of good, new, virgin wool.

There is another way, if a person understands it—of course they all do not—if a man wants to be sure of getting a suit of clothes of all virgin wool, let him buy a worsted suit. It is impossible to work shoddy into worsted. The only way that worsted is adulterated is by cotton threads in the cloth, or what we call a cotton back worsted, and anybody, without being an expert, can distinguish those cotton threads over the wool threads. I always buy worsted clothes when I buy a suit. I am sure, then, that I am getting an all virgin wool suit of clothes, and one which will hold its shape and wear better than a wool suit. But I have to pay for them.

Now, there is another thing that occurs to me, that if this law is passed this country will be flooded by goods from European manufacturers which would be made with a good deal of shoddy in them, say, 25, 30, or even 40 per cent of the best kind of shoddy—I mean the long fiber shoddy—with long virgin wool; and when those goods landed in this country there is not any expert on the top of the earth who can examine that cloth and tell whether it is all virgin wool, or partly reworked wool; when it has been manufactured and put into a fulling mill, and treated with soap, with the barbs of the wool broken, there is no one who can tell, absolutely. The result would be that foreign manufacturers would flood this country with those goods I have mentioned, stamped "virgin wool," and our manufacturers of medium goods would not have any chance here.

It is a well-known fact that most of the foreign manufacturers, when it comes to trying to beat the customhouse by undervaluations and falsely branding goods or giving false qualities are notorious, and they would not hesitate a minute to brand mixed goods as "virgin wool." A dishonest manufacturer in this country would do the same thing, where the honest manufacturer would stamp his goods properly. It is my opinion that it would not help the public a great deal to stamp goods. The price is the best way to tell. There is such competition in selling goods, or in retailing goods, that the price generally tells the quality of the goods the man is buying.

Mr. Sims. You do not think that it would hurt the public to pass this bill?

Mr. GOODALL. I do not think it would do them any good.

Mr. SIMS. You do not think it would hurt them?

Mr. GOODALL. Yes; because, as I say, you can make up a fabric of virgin wool of very short length, and a manufacturer can honestly brand that as virgin wool, and yet it would not wear nearly as well as a piece of goods made from a long-fiber wool, sound and strong, two-thirds of that kind of wool and one-third of good, long, reworked wool.

Mr. SIMS. The woolen manufacturers are prosperous, are they not?

Mr. GOODALL. Every manufacturer that I know anything of in this country is prosperous.

Mr. SIMS. The preponderance of the evidence that we have had before us is that the sheep industry in the United States is a declining industry, and that possibly extinction confronts it. Now, if these manufacturers are prospering, are doing well, and the woolgrowers all claim that this bill would help them some, and if it would not hurt the manufacturers, why should we not respond to their desires a little?

Mr. GOODALL. I suppose you understand that the raising of sheep east of the Mississippi River is not profitable, because the land is more profitable to raise other things?

Mr. SIMS. We have had evidence here that the wool industry is a declining industry, and it is said that something must be done.

Mr. GOODALL. Because it is more profitable to use that land for other purposes.

Mr. SIMS. Those manufacturers of wool, will they have wool from some source?

Mr. GOODALL. Oh, certainly.

Mr. SIMS. Would you not prefer to have the manufacturers have the benefit of some protection?

Mr. GOODALL. Oh, certainly; absolutely.

Mr. SIMS. I say, so far as you buy your supplies in this country?

Mr. GOODALL. I believe that the woolgrowers of this country should be amply protected by a tariff to keep out foreign competition.

Mr. SIMS. That is not the trouble with them. They suffer from no competition now. They want to be protected against imposition and the temptation of selling shoddy for the same price you sell virgin wool for; and they are asking this, and they ought to know what is to their interest, and you say this can not hurt the public and it will not hurt the manufacturers. Why close up our hearts against this demand or request of the woolgrowers, who from one end to the other say they have a declining industry and an unprofitable one?

Mr. GOODALL. I will tell you, which is a fact, there is not wool enough raised in the country to-day to supply the demand for all-wool goods and the price of wool, like other commodities, is regulated by supply and demand.

Mr. SIMS. That is true, and we want to increase the supply of home-grown wool; and these wool growers say this will help them; and it does not hurt the public, and does not hurt the manufacturers, and they are both satisfied. Why not do this, which is all that they ask us to do now?

Mr. GOODALL. I can tell you whom it will hurt. It will be the consumers.

Mr. SIMS. The consumers, of course, we never think of.

Mr. GOODALL. We all know the conditions to-day.

Mr. SIMS. I know how it is in freight rates. They say that when ever you can pass the freight on to the consumer of the article, shoddy or whatever it may be, it does not make any difference to him. When you can pass it on to the consumer, it is only a little increase for getting first hand wool. The public is the one that is victimized by the shoddy. This is a small thing to do and it does no harm to anybody, so they say, and why not give the consumer and the wool grower a little help?

Mr. GOODALL. This bill does not specify the length of wool, you will get in garments.

Mr. SIMS. That does not make any difference.

Mr. GOODALL. Yes; it makes all the difference, in my mind.

Mr. SIMS. It will not make any difference in the main, any more than it does now. It does not now; because you can not tell now, under present conditions.

Mr. GOODALL. They neither know the quality of the shoddy they are buying nor the quality of the virgin wool, and it will not change the present conditions.

Mr. SIMS. Why, certainly.

Mr. GOODALL. Let me explain one thing——

The CHAIRMAN. Let us have the explanation.

Mr. GOODALL. By using a very short virgin wool that will make a poor wearing fabric; when a consumer sees on that fabric a tag marked "virgin wool," he will take it for granted that that is made of long fiber, best quality of virgin wool, when it is not. It deceives the consumer. That is one reason why the bill is not proper, and why it is unjust to the consumer.

Mr. SIMS. Inasmuch as the American wool grower produces very little of that low grade wool, encouraging him will perhaps increase the amount of good wool you manufacturers will have, so that you will not import so much of this low grade wool in order that it may put off on the consumer; do you not think so?

Mr. GOODALL. I would not think so.

Mr. SIMS. But I mean as a class they will not do that. There is no reason why they should. If the American production is sufficient for all the demands of the American manufacturers of goods of the higher grades or kinds, they will have to get the low grade somewhere else.

Mr. GOODALL. I do not think that it is practical, if this bill be put through, for the public to buy clothes with the knowledge of the real intrinsic qualities, by simply branding.

Mr. SIMS. When the quantity of this low-grade wool that is manufactured into fabrics that is worn by the average man is so small in quantity, in comparison with the vast number of shoddy fabrics, that they are victimized, how can it be to them an injury? You say some of them will buy low-grade virgin-wool fabrics, but you have no concern about the number of low-grade shoddy fabrics they are buying.

Mr. GOODALL. If you buy a suit to-day and pay a very low price, that is prima facie evidence that it is shoddy, and a low-grade shoddy, too.

Mr. SIMS. If it is a virgin wool, but very low priced, would not that be some indication?

Mr. GOODALL. You could not sell it at any such price as you can low-grade shoddy.

Mr. SIMS. I say, would not the price be some indication? So that you are afraid that he will be victimized by buying a low-grade virgin wool, when he thinks he is getting a high-grade virgin wool?

Mr. GOODALL. Absolutely; and that is what this branding would lead them to believe, that they are getting an all high-grade virgin-wool suit.

Mr. SIMS. But you are not uneasy about their buying the low-grade shoddy and thinking they are getting a high-grade shoddy.

Mr. GOODALL. The price fixes that, all right. These clothing manufacturers know low-grade shoddy goods the minute they see them.

Mr. SIMS. I do not see how the manufacturers could do much in the way of practicing fraud, because their goods are sold in bulk to buyers who know what it is.

Mr. GOODALL. Yes; these manufacturers have very keen buyers and experts in fabrics, and you can not fool them at all. No; it is the ultimate consumer who gets fooled. I am trying to help the consumer, and not hurt the manufacturers, at the same time.

Mr. SIMS. Do you not believe that honesty is the best policy in business, manufacturing, and everything else?

Mr. GOODALL. Yes. I will tell you what the result of that would be. I started to say that before, when we got mixed up. The people to-day are demanding and buying the very highest priced articles in every line. You take workmen; they will go into a haberdashery and demand \$12 and \$14 silk shirts. It is the high-priced goods that sell to-day, not the moderate or low-priced goods, and they all want the best; and of course if they see a fabric marked "virgin wool," they will pay almost any price for it.

Mr. SIMS. So would I. Not any price, but I would pay more than I would for shoddy.

Mr. GOODALL. They pay tremendous prices for it.

Mr. SIMS. Suppose that you call shoddy shoddy, and call the virgin wool virgin wool, and let the people take their choice? Just mark the price, and let the buyer take what he wants and know what he gets.

Mr. GOODALL. The price fixes that to-day.

Mr. SIMS. Then you would still have the price and the brand, too, and be doubly protected.

Mr. GOODALL. Then he is prejudiced, right off, against shoddy, of course.

Mr. SIMS. You are perfectly willing that he be guided by the price, but never by the brand?

Mr. GOODALL. The price, though, generally governs.

Mr. SIMS. Let us do both—give the people a chance to buy on the level and know what they are getting. Besides, if large numbers would buy low-grade woollen goods because they would not want the low grade virgin wool, the price would give it away and they would not want it.

Mr. GOODALL. As I say, one great injury would be to honest manufacturers, where the dishonest would work in a certain percentage of shoddy and label it virgin wool.

Mr. SIMS. You have not got any dishonest manufacturers in the United States?

Mr. GOODALL. The foreign manufacturers would do that.

Mr. SIMS. We are all aware that the American merchant is famed for honesty in business. You are keeping the foreign merchant out to-day with a protective tariff.

Mr. GOODALL. The tariff to-day would not keep him out.

Mr. SIMS. Would you like to keep him out?

Mr. GOODALL. We would like a tariff to keep him out. The foreign exchange to-day would not keep anything out.

Mr. SIMS. This has been going on, and the worker has been getting the worst of it. Now, let us do a little for him for a little while and try it, and if it does not prove satisfactory we can abandon it or repeal the law.

Mr. GOODALL. You will find that it will not. In my opinion, you can not work it out.

Mr. SIMS. The opinion of the wool growers is that you can, and between the two opinions let us give them a little chance once. When they make 600,000,000 pounds of wool and they have only 80,000,000 pounds of shoddy, let us vote on the side of the greatest amount and the greatest number one time.

Mr. GOODALL. Of course, there is no product made out of shoddy entirely, but they do work in low percentages with the wool to extend the wool and make the goods cost less money.

Mr. SIMS. Certainly; and your good shoddy would go along and stand up.

Mr. GOODALL. But there are high and low grades of shoddy, the same as there are high and low grades of virgin wool.

Mr. BONYNGE. Mr. Chairman, may I ask the witness a few brief questions?

The CHAIRMAN. Make them brief.

Mr. BONYNGE. I will. Mr. Goodall, did I understand you to say you purchased worsteds so as to be sure that you got virgin wool?

Mr. GOODALL. No; I always purchase worsted because I know it wears better than the woolen fabric made out of the same character of wool.

Mr. BONYNGE. So that you prefer a worsted?

Mr. GOODALL. I do not know as you understand the difference between worsteds and woolens. You take the same wool, out of the same bale. It goes through the combing machinery and it combs the short fibers out; and the long fibers are laid parallel. They call that worsted.

Now, a woolen is the same wool put through a card, including the long and short wool, and it is all mixed up together, and then you spin that and weave it into cloth. That is woolen. The fact that that wool has all the short fibers combed out of it and the long fibers all lying parallel when twisted or spun into yarn goes to make a fabric that will hold its shape and wear better than a woolen.

Mr. BONYNGE. You are very sure when you buy worsted that you do not get shoddy, are you not?

Mr. GOODALL. Yes; absolutely. I have been a woolen manufacturer and am now a worsted manufacturer, so I know the difference between woolen and worsted goods. I know that the worsted suit will wear better and hold its shape better than a woolen suit made out of the same wool.

Mr. BONYNGE. You do not hesitate on account of the price?

Mr. GOODALL. No; I do not take that into consideration.

Mr. SIMS. What is this Palm Beach cloth made out of?

Mr. GOODALL. That is made out of cotton warp, with mohair filling or weft. There is no fabric made out of mohair alone. It has to have a cotton warp to hold it. If you should use mohair for the warp and for the weft, it would be so slippery you could pull it out of shape, so we use a cotton warp to bind it.

Mr. SIMS. There is wool in it?

Mr. GOODALL. No, sir.

Mr. SIMS. There is no wool in it?

Mr. GOODALL. No, sir; it is mohair entirely.

Mr. SIMS. It sells on its merits, then.

Mr. GOODALL. Yes.

Mr. SIMS. It is one of the most popular fabrics I know of.

Mr. GOODALL. Yes; and it has made its way on its merits. Mohair is the strongest wearing fiber that I know of in the world. It is used for car seats on all railway cars. You know what hard usage such a seat gets.

Mr. SIMS. What is mohair?

Mr. GOODALL. Angora goat hair.

Mr. SIMS. Should it not be called a hair rather than a wool?

Mr. GOODALL. It is really a hair. It is a good deal like human hair; a long, bright, slippery hair. But in the tariff it is always classed with wool.

Mr. SIMS. It is classed as wool?

Mr. GOODALL. Yes; it is classed with wool for the payment of duty.

Mr. SIMS. It is not shoddy, at least?

Mr. GOODALL. No, sir.

Mr. SIMS. I do not think it could be shoddy and be as good as that mohair.

Mr. GOODALL. There could never be any shoddy made into Palm Beach clothes. You can not do it. It would not be good for anything if you could. A Palm Beach cloth made of wool would not be good for anything.

Mr. SIMS. I suppose not.

Mr. GOODALL. No; I know it. It has been tried. When washed it makes it what we call "raggy," and it will lose its shape.

Mr. SIMS. Palm Beach cloth is all right as it is, and all I want is for you to keep it good, and do not let it degenerate into shoddy.

Mr. GOODALL. It will be kept good as long as the Goodall Worsted Co. manufacture it, and they are the only manufacturers in the world of that cloth. And I will tell you another thing; some one who spoke before me spoke of knowing what manufacturers made goods. We spend large sums of money every year in advertising Palm Beach goods. Our name and trade-mark are put on the hanger on the inside of every coat collar, so that people can see our trade-mark there and know that they are getting the real Palm Beach fabric, and this kind of a label means something.

Mr. SIMS. That is what I would like to know.

Mr. WALKER. I bought a Palm Beach suit for that very reason, because I knew the man that was behind it.

Mr. SIMS. We have it branded, and we know what it means.

Mr. GOODALL. Yes; brand and trade-mark.

Mr. SIMS. Why not let all other goods be the same?

Mr. GOODALL. The other is a different question. We had to do that because people were trying to make imitations, and they were hurting our fabric. They were not up to our quality.

Mr. SIMS. I am mighty glad you are making a good thing of it, as you are, and I am sorry that you are willing to eliminate shoddy by letting people know what they are buying in other fabrics.

Mr. GOODALL. One of the strong reasons is the starting end of it; it would be a great expense for branding; and another thing is that I can see where the foreigners would come in and take the trade in the medium goods away from our manufacturers by false branding.

Mr. SIMS. If they get too troublesome we can deal with them.

Mr. GOODALL. There is no way of detecting it.

Mr. SIMS. You detect silk or cotton or linen in woolen goods by the acid or alkali tests, but you can not detect the amount of shoddy.

Mr. GOODALL. We can do it as we have been doing it.

Mr. SIMS. We can put a tariff on it.

Mr. GOODALL. Will you vote for a tariff?

The CHAIRMAN. Are there any other questions? If not, who is the next witness?

**STATEMENT OF GEORGE D. BRIGGS, 25 MADISON AVENUE,
NEW YORK CITY, REPRESENTING THE NATIONAL SHEEP
AND WOOL BUREAU.**

Mr. BRIGGS. Mr. Chairman and gentlemen of the committee, as a representative of the National Sheep and Wool Bureau, I appear before you to-day to urge the enactment into law of the truth in fabric bill, known in the House of Representatives as H. R. 11641, introduced by Congressman Burton L. French, of Idaho, January 7, 1920. The truth in fabric is based and built on the threefold idea:

1. That the interests of the people come first.
2. That the interests and rights of the people must be protected, even if some individual or group must be inconvenienced.
3. That justice to all groups or individuals must be assured, but that no group or individual shall, at the expense of the people, or of any other group or individual, gain unfair advantage for itself.

The unrevealed presence of substitutes for virgin wool, especially shoddy in cloth and clothes, has resulted in three things:

1. In depriving the people of their right to choose between virgin wool and substitutes for virgin wool, especially shoddy.

2. In depriving the purchaser of the knowledge of the presence of substitutes—the knowledge which is the purchaser's only protection against those who would charge for the substitute a higher price than the purchaser would pay if the purchaser knew that he was buying the substitute.

3. In establishing a condition whereby fabric manufacturers may divert from the wool grower to the rag and shoddy industries the people's demand for virgin wool, thereby tending to force up the price of rags and shoddy to a point entirely disproportionate to the intrinsic worth of rags and shoddy, and to the people's demands for rags and shoddy, at the same time tending to force down the price

of virgin wool to the wool grower to a point below the intrinsic worth of virgin wool, and the people's needs and demand for virgin wool.

As between the rag and shoddy industries and sheep husbandry, there can be no doubt in the mind of any fair-minded person that sheep husbandry is more essential than the rag or shoddy industries, and that if advantage is to be given to either, it should be to sheep husbandry.

Because this is true, many of the fairest-minded people contend that a sufficiently high tax should be placed on the use of shoddy to give preference to the wool grower instead of as under present conditions to the rag man.

The truth in fabric bill confers no advantage on any industry, but assures the unhampered operation of the law of supply and demand, by protecting the people in their right to choose between virgin wool and substitutes for virgin wool, especially shoddy. If the people prefer shoddy, then, under the truth in fabric bill, shoddy will be sold. But if the people prefer virgin wool, the people would be protected in their right to purchase virgin wool, and no one, as now, would be able to force the people to purchase shoddy against the people's will.

No sensible person will knowingly pay virgin-wool prices for shoddy, but multitudes of people would buy shoddy if they could purchase it at a just price. With the truth in fabric bill enacted into law, if too high a price is charged for virgin wool, the people would buy shoddy; and if an unjust price were to be charged for shoddy, they would, of course, purchase virgin wool. The one would be pitted against the other. Therefore, the truth in fabric bill would make it impossible to overcharge for either.

The opponents of the truth in fabric bill seek to establish three points:

1. That shoddy may be better than virgin wool.
2. That shoddy is necessary in order to manufacture certain fabrics.
3. That only a comparatively small percentage of the total production of apparel in the United States contains an appreciable amount of shoddy.

In connection with these three contentions of the opponents of the truth in fabric bill, the members of the committee are requested to consider the following irrefutable facts:

Taking up these points in order, I wish to state three facts in answer to the contention that shoddy may be better than virgin wool.

First. Shoddy can never equal the virgin wool from which it is reworked.

Second. Virgin wool, however inferior it may be, is infinitely better than is the shoddy that is reworked from it, and costs the fabric manufacturer more.

Furthermore, no matter how inferior may be the virgin wool, if such virgin wool is made into cloth, it comes back as shoddy, and is, therefore, liable to make its reappearance in fabrics.

Third. It is no more possible to rework virgin wool without impairing its worth than it is to skim milk without decreasing the butter-fat of the milk that has been skimmed. Therefore it is not one whit more fallacious or deliberately deceptive to persuade people that by skimming the cream from milk the butter fat in the milk so skimmed

is increased, than is it to seek to persuade the people that virgin wool may be improved by being reworked into shoddy.

In answering the second point of those who object to the truth in fabric bill, namely, that shoddy is necessary in connection with the manufacture of certain fabrics, I wish to state the two following facts:

1. There is no fabric but that can be made exclusively of virgin wool and but what would be infinitely better because of its being made of virgin wool.

2. When the nature of the fabric is such as to require the short wool fibres, the short fibers of virgin wool, because they have never been impaired by being reworked, are infinitely better than the short fibers of shoddy which necessarily have lost a very appreciable part of their worth as the result of having been reworked.

In addition to these two facts just stated, the further fact should be noted, namely, that it is not in place of the cheapest grades of virgin wool that the better grades of shoddy are used. The better grades of shoddy are frequently used in fabrics in which the purchaser has the right to expect, not only virgin wool but choice virgin wool.

Furthermore, it is a fact that the better grades of shoddy can be made into fabrics that have the same appearance and handle, as fabrics made from the choicest virgin wool. It is this fact that affords the temptation to procure for shoddy a higher price than could be procured if the purchaser were permitted to know that the fabrics contained shoddy.

In answering the third alleged point of the opponents to the truth in fabric bill, namely, that only a comparatively small percentage of the raw material used in apparel fabrics is shoddy, the following statement by the Hon. Wm. C. Redfield, made in May, 1919, in a published statement, is very significant. Mr. Redfield in this statement said:

"The world's annual clip (wool clip) is sufficient to supply but approximately one-third of the annual production of cloth, the deficiency must be supplied by having recourse to new wool clips—that is to say, clips from cloth—and worn cloth."

In corroboration of Mr. Redfield's statement, the further fact should be noted, that the United States, with only approximately one-sixteenth of the world's population, uses more than one-fifth of the world's total annual production of virgin wool; and that this total consumption of virgin wool by the United States is approximately 3 pounds of scoured wool per inhabitant. This 3 pounds per inhabitant of virgin wool is not enough to make one man's winter-weight suit of 16-ounce cloth; and would leave no virgin wool at all for the other many necessary articles of apparel made from wool.

Gentlemen, here is a basic fact from which a simple computation will clearly indicate what a large amount of substitutes for virgin wool must be used to provide for the apparel needs of the people, to say nothing of the wool needed for producing carpets, upholstery, blankets, felt for manufacturing purposes, bed blankets, carriage robes, automobile robes, etc.

The opponents of the truth in fabric bill also contend:

That the mere fact of a fabric being virgin wool would cause the people to purchase virgin wool fabrics however inferior or unattractive they may be.

This contention of the opponents of the truth-in-fabric bill is in direct conflict with the statement that has been made by the opponents of the truth-in-fabric bill, that the coarser, cheaper grades of virgin wool are hard to sell. The Daily News Record of December 29, 1919, quoted William M. Wood, president of the American Woolen Co. From this alleged statement of Mr. Wood I quote in part as follows:

"* * * The people demand cloth of fine wools and will buy no others. They will not take fabrics containing the coarser wools, although much cheaper in price."

This statement of Mr. Wood's and the statement of the opponents of the truth-in-fabric bill, that "the cheaper, coarser virgin wools are difficult to sell," completely refutes the contention of the opponents of the truth-in-fabric bill that "the mere fact of a fabric being virgin wool insures its sale."

The danger, if any, to the people from deception and overcharging that may result from the sale of virgin wool, as virgin wool, is as compared to the danger of deception and overcharging that may result to the people from the unrevealed presence of substitutes for virgin wool, especially shoddy; as the dangers of a child amongst a flock of lambs in comparison to the child's danger in the midst of a den of ferocious lions.

The people, as has already been shown, can readily tell by the appearance of the cloth whether it is a cheap coarse and inferior grade of virgin wool; but the people can not tell when fabrics contain shoddy; nor can they tell the difference between the grades of shoddy that have been used or whether the fabric is made from the better grade shoddy or choice virgin wool.

It has been shown that the total amount of the short, inferior virgin wool in comparison to the aggregate amount of virgin wool, is so small as to be a negligible quantity.

Furthermore, that much of this short fibre in inferior virgin wool, is never used in apparel fabrics.

It has not been shown, however, that the amount of inferior shoddy, which is unfit for use in apparel fabrics is a small amount in comparison to the total amount of better grade shoddy; nor has it been shown that this inferior shoddy which is unfit for use in apparel fabrics is not being used.

We are all familiar with the fact that during the war the people were encouraged to save all the rags, just as they were encouraged to save even peach pits, tin cans and other items. The fact that the people throughout the length and breadth of the land were taught to save the rags and were provided with a market for all rags and worn and cast off cloth and clothes made available tremendously increased amounts of the cheaper and poorer grades of shoddy.

It should be observed in this connection, that although according to Mr. Redfield's statement only one-third enough wool is produced in any one year for the cloth requirements of that year; yet more than 18 months after the signing of the armistice, with the whole world in need of clothes, we find tremendous stocks of virgin wool piled up unmanufactured. If tremendous amounts of shoddy are not being used, how is it that these reserve stocks of virgin wool are not converted into cloth?

The coarser, cheaper grades of virgin wool may be made into fabrics that are more servicable even than some of the finer wools. And fabrics made from these cheaper, coarser grades of virgin wool, of which there is an abundance, are infinitely better from the standpoint of service, than are fabrics made from the better grades of shoddy. But so far as can be ascertained, there is no complaint of difficulty in selling fabrics made from the better grades of shoddy; nor has there, so far as I have been able to learn, been complaint that these fabrics made from the better grades of shoddy can not be sold at a good price. These facts emphasize again the fallacy of the contention of the opponents of the truth in fabric bill, that the mere fact of a fabric being known to be virgin wool, could in any appreciable manner place the people in danger of being overcharged for virgin wool fabrics.

The attention of the committee is also invited to the fact that a large part of the evidence as to the comparative merit of fabric made from shoddy versus virgin wool is wholly irrelevant, inasmuch as the issue is not as to the comparative merits of shoddy and virgin wool; nor is the issue as to how much shoddy is used; nor is it as to the quality of shoddy that is used. The issue and the purpose of the truth in fabric bill is:

a. To protect the people against those who would deprive them of their right to know and choose between substitutes—especially shoddy and virgin wool.

b. To protect the people against those who would force them to buy substitutes—especially shoddy—against their will.

c. To protect the people against those who would procure for substitutes for virgin wool—especially shoddy—a higher price than could be procured if the people knew that fabrics contained substitutes.

It is the privilege of fabric manufacturers who believe in the alleged merit of fabrics containing substitutes for virgin wool—

First. To tell the purchaser that the fabric contains substitutes.

Second. To convince the purchaser of the fabric's alleged merit, and thus to make the sale. But for fabric manufacturers or for anyone to seek the advantage over the people which the unrevealed presence of substitutes gives, an advantage whereby the purchaser may be forced to purchase substitutes against his will and whereby a higher price may be procured for fabrics containing substitutes than could be procured if the presence of the substitutes were known, manifests an unfair spirit that has no place in present-day human relations, and which, judging from the spirit of the people that is being clearly indicated, will not much longer be tolerated.

If the truth in fabric bill is enacted into law, the people will be protected in their inalienable right to know and choose between the genuine and the substitutes. And it will be the people, and not a group of interested parties, who will decide whether the genuine or the substitute will be used, and how much will be used.

The opponents of the truth in fabric bill would have it appear that it is a certification of quality that the people want. In this connection it may be remarked that a tensile-strength test is one of the scientific methods by which some distributors seek to ascertain the comparative wear-resisting qualities of fabrics.

I ask the members of this committee if they can recall ever having seen an advertisement of a clothing manufacturer or a retailer in which it was stated that the cloths listed for sale were of a certain tensile strength. For years I have closely scrutinized the advertisements of both clothing manufacturers and retailers, but I do not recall ever having seen an advertisement when it was stated that the clothes or the cloth were of a certain tensile strength.

We are all familiar with the fact, however, that even high-class clothing manufacturers and retailers again and again state in their advertisements that the cloth and the clothes are all wool.

The question that customers ask first and last and all the time is, Is the fabric all wool? And it must be remembered in this connection that the term all wool to the public has up to the present time meant wool that has never been previously used in cloth. It must be remembered that the people have not even suspected that the term all wool might include wool that had previously been used. Whenever the people have asked to have a product stamped or marked so that the purchaser can know whether it is the genuine or the substitute, and whenever such marking has been considered by the lawmakers, those who use substitutes have always urged that the thing which was necessary for the people's protection was not a distinction and identification of the genuine and the substitute, but a marking that would certify the quality.

It may be recalled that the oleomargarine manufacturers insisted that instead of identifying oleomargarine, that inasmuch as good oleomargarine was vastly superior to poor butter, therefore, the thing that would give the people the information they desired and the information which would protect the people would be to certify the food value of the various grades of oleomargarine and of butter, instead of identifying oleomargarine so that the purchaser could distinguish it from butter.

It may be noted in this connection that the pure-food laws do not attempt to certify quality, but merely protect the purchaser in his right to know that he is purchasing the thing that he desires to purchase.

The pure-food laws merely make it compulsory for the manufacturer to state what he is selling. To certify the quality of foods, of fabrics, or of anything else would be a gigantic undertaking and would devolve tremendous responsibilities on the Government, necessitating a great army of scientists and inspectors. And after products had been certified, for instance, if fabrics were certified and stamped with specific quality designations, the purchaser would, notwithstanding, insist on an answer to the question: "Is the product the genuine or the substitute?" But if this one question is answered, namely, "Is the fabric the genuine or the substitute?"—the question which will always have to be answered, notwithstanding how many quality designations the garment or fabric may contain. It is not once out of a million times that any quality certification would be asked or expected.

The millions of people throughout the United States who are requesting Congress to pass the truth in fabric bill have not asked for certification of the varying degrees of quality. In connection with the pure-food laws the people did not ask for a certification of

quality. The people have never asked, nor are they now asking, for a quality certification. The people are merely asking that they be protected in their right to know and choose between the genuine and the substitute. And while in the case of food and drugs, to give the people this knowledge did involve a considerable trouble and expense, in the case of fabrics, as has already been shown, the trouble and expense of informing the people whether the fabric contains virgin wool or substitutes for virgin wool would be very light, indeed.

The question has been asked several times during these hearings if there is greater need, in the case of woolen fabrics, of giving the people knowledge of whether fabrics contain virgin wool or substitutes for virgin wool than is there need for giving the people knowledge of the presence of the genuine and the substitute in other branches of the textile industry or in other industries.

There is no industry and there is no branch of the textile industry where it is so important to identify the genuine and the substitute as it is in connection with woolen fabrics. This is true because of the people's misunderstanding of the term "all wool." The term "all wool" is an alias under which shoddy passes as virgin wool. And this misunderstanding of the people concerning the meaning of the term "all wool" inflicts great wrong upon the people and deprives them of their right to choose between virgin wool and shoddy.

When a person goes into a store and asks for a cotton garment and gets a cotton garment he gets precisely what he designated and what he meant. But when a person goes into a store and asks for an "all-wool" suit or overcoat, and gets a suit or an overcoat made from shoddy, he gets precisely what he designated, but he does not get what he meant.

It has been alleged by the opponents of the truth in fabric bill that to identify shoddy and virgin wool would greatly increase the demand for virgin wool. This is not true, for the reason that the demand of the people is now for virgin wool when they ask for all wool. And the demand, therefore, would not be increased, but the truth in fabric bill, if enacted into law, would permit the purchasers to know when they were getting virgin wool and to know that they would be getting what they pay for.

There is undoubtedly need in other branches of the textile industry of giving the people this same protection that has been afforded by the pure-food laws, and which would be afforded in connection with woven fabrics by the truth in fabric bill. However, because of the difference in manufacture and distribution, knitted fabrics and other characters of textiles, such as linen, cotton, and silk, would require a different act of regulations, and therefore can be most effectively handled by a separate act.

A mere misbranding bill can be made broad and general enough in its requirements to include, not only all branches of the textile industry, but all branches of industry and all the varying products. However, a compulsory branding, or labelling act, which identifies the genuine and the substitute, because it requires more specific treatment, might, if the scope of the one act were extended necessarily so greatly weaken the requirement that the act would be invalidated on some essential point.

I have before me a copy of an act—I will not take the trouble to read it, but you are doubtless familiar with it—which was passed in

New Zealand in 1915 pertaining to footwear, and which has to do with substitutes for leather that are used in shoes. This bill has to do only with footwear; it does not touch textiles; but I have also a clipping here from a paper in which it is stated: "That this same principle is now being applied, or about to be applied, to fabrics." These are, I believe, phases of the question which had best be left entirely in the hands of you gentlemen. The thing which should be made clear is that no act which is merely a misbranding act can meet the need which is met by the truth-in-fabric bill now before you.

As you gentlemen are doubtless aware, 40 States have already passed special acts calculated to aid in detecting and punishing misbranding. It seems to me that it would be a great advantage to have a Federal law such as the Barkley bill designed to perform this same function. The Barkley bill would be, it seems to me, a very great aid in securing the enforcement of the pure food laws, and in securing the enforcement of all other laws, which identify substitutes and distinguish between the genuine and the substitute.

The Barkley bill, I believe, would greatly aid in securing the enforcement of the truth-in-fabric bill, should it be enacted into law.

The passage of the Barkley bill, or any other misbranding bill, however, could not by one iota lessen the need of the people for protection against those who deprive them of their right to know and choose between virgin wool and substitutes.

The Barkley bill, nor any other bill, could not meet the peoples' need in this direction because fabrics, with few exceptions, are not branded, and therefore, the Barkley bill, nor any other bill that is merely a misbranding bill, could have jurisdiction in such cases.

As has already been pointed out, the Rogers bill, far from protecting the people on this score, would even if fabrics were branded by legalizing the term all wool, perpetuate the wrong that is now inflicted upon the people as the result of shoddy making the term all wool an alias under which shoddy passes as virgin wool.

In answer to the questions that have been raised concerning the possibilities of enforcing the law, and as to the possibility of surely detecting the presence of shoddy in fabrics, it may be said that the enforcement of the law does not hinge on whether or not shoddy may be surely detected in fabrics, nor would it be necessary, except in case of suspicion, as has already been pointed out, for fabrics to be inspected, or for the books and plants of manufacturers to be inspected.

When a man is put under oath it is a difficult thing to know whether or not he is surely telling the truth; but most men when they are put under oath do tell the truth. And if fabric manufacturers are required by law to go on record, it would be a rare thing, indeed, that they would be so daring and so unscrupulous as to falsify their statements.

If there be those who are daring and unscrupulous enough to do this, the fact that throughout the country are vigilance committees by organizations, such as the Advertising Clubs of the World, which are on the lookout for falsifiers; together with the fact that even if the Government only had one inspector, a dishonest fabric manufacturer would never know when that one inspector was trailing him, or when such inspector would drop in on him and look over his books and his methods. These facts would cause the fear

of detection to hang over the would-be dishonest manufacturer of fabric, or yarn manufacturer, or any manufacturer, like the sword of Damocles and would act as the strongest deterrent to wrongdoing.

Furthermore, the fact that it would be the Government's prerogative to cancel the registration number of a violator of the law, thus shutting out of interstate commerce the product of such manufacturer, would involve a risk so great that no manufacturer who has capital invested in his business would take such a risk.

The CHAIRMAN (interposing). Let me state, there is a roll call on in the House, on a bill regarding the importation of pulp and print paper from Canada, and there is no doubt the members of the committee are desirous of going on record. I presume we may have to suspend at this time. How much more time will you require?

Mr. BRIGGS. Well, I will require about as much time again as I have had.

The CHAIRMAN. Then we will have to hear you later.

(Whereupon, at 4 o'clock p. m., the committee adjourned to meet at 10.30 o'clock a. m., Wednesday, March 31.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Wednesday, March 31, 1920.

The committee met at 10.30 o'clock a. m., Hon. John J. Esch (chairman) presiding.

The CHAIRMAN. Mr. Briggs, you may continue your testimony.

STATEMENT OF MR. GEORGE D. BRIGGS, No. 25 MADISON AVENUE, NEW YORK CITY, REPRESENTING THE NATIONAL SHEEP AND WOOL BUREAU—Continued.

Mr. BRIGGS. Mr. Chairman and gentlemen of the committee, in order to give the millions of people throughout the United States who are asking that the truth in fabric bill now before you shall be passed, the protection they seek, two things are absolutely essential:

First. To distinguish between and identify virgin wool and substitutes for virgin wool.

Second. To adopt precise terms that can not be misunderstood.

There may be various modifications or changes required in the bill as there are invariably in every bill, but whatever changes or modifications may be made, to relinquish or in any degree to impair these vital points, namely, the identification of virgin wool and substitutes, and the adoption of precise terms, would necessarily sacrifice the people's protection in their right to know and choose between virgin wool and substitutes for virgin wool.

In connection with precise terms, I wish to make some observations. First, concerning the term "virgin wool."

I would invite the committee's attention to the following facts:

First. That the growth of language results from the new adaptation of words to meet the need for a precision of expression that prevents misunderstanding.

Second. The term "virgin wool," like the term "virgin soil," or "virgin forest," can not be misunderstood.

Third. There are two and only two kinds of wool—shoddy; that is wool that has previously been used one or more times in cloth, and virgin wool, that is wool that has never been used.

Fourth. The term "all wool" may be truthfully used to designate either shoddy or virgin wool, but the people do not even suspicion that the term "all wool" may mean shoddy.

Fifth. The peoples' misunderstanding of the term "all wool" has resulted in shoddys making the term "all wool" an alias under which shoddy passes as virgin wool.

Sixth. The term "virgin wool" is the most hated and feared term in the English language by those who enjoy an advantage by the sale of shoddy as virgin wool.

Seventh. The rapidity of the widespread adoption and use of the words "virgin wool" by those who desire truthful terms that can not be misunderstood, is abundant proof of the great need for the term "virgin wool" which is the only term that prevents, absolutely, possibility of mistakes or misunderstandings.

The following are a few quotations from daily papers and other sources typical of the press comment of the country:

1. Quoted from the New York Times:

A great deal of satisfaction is taken in the woolen trade in the acquisition of the term "virgin wool" in place of "all wool." The latter phrase was the cause of unending controversy between those who believed in the merit of reworked wool and included that article within the strict meaning of the term "all wool." The commonest kind of shoddy could be called "all wool" without any twisting of the truth, but the consumer's interpretation scarcely jibed with that of the technical manufacturer's.

2. Quoted from the Moline, Ill., Dispatch:

When a fabric or garment is guaranteed to be "all wool" the public understands it to be "virgin wool," which it is not. The public does not know that the "all wool" guarantee has lost its meaning. Even inferior shoddy may be truthfully described as "all wool."

There is coming to be large demand for a "Truth in Fabric" law for the protection of our sheep and wool growing industry, as well as for the protection of the public.

3. Quoted from the Staunton, Va., Daily Leader:

If the term (virgin wool) can be brought into general use for such wool, it will tend to protect the buying public from a manifest and serious fraud. The expression is being used by manufacturers. * * * It (the term "virgin wool") ought to be generally adopted, and there ought to be a law requiring "all wool" goods to be labeled either as shoddy, mixed or "virgin wool." Then deception would be impossible unless the buyer were too stupid to do anything for his own protection.

The following are a few from scores of quotations from trade papers showing that the term "virgin wool" has been adopted to describe unused wool:

Quoted from an editorial in the Clothing Trade Journal:

Interest in "virgin wool," * * * and shoddy, seems to be spreading from consumer to retailer, from retailer to manufacturer to the mill. The point at issue is perfectly clear in spite of any efforts made to obscure it.

It is a happy sign of returning honesty to business, industry and life that we are now urged to label the ingredients of cloth. No one protests against using shoddy or cotton. All we want to know is: "Is it shoddy?"

2. Quoted from the Clothier and Furnisher:

The requirement that all fabrics be properly branded would render it impossible for anyone to sell shoddy as "virgin wool" from the first factor of distribution to the retailer, and would therefore reach the disease right at its source, which is the only effective remedy.

3. Quoted from the Daily News Record, a daily trade paper covering the textile and apparel field:

There are some manufacturers who firmly believe that the next Congress will pass a pure fabric law which will compel the marking of clothes for exactly what they contain * * *

They know that the public is learning what "virgin wool" means, and there is no necessity for an apology for a position assumed with "virgin wool" as a background.

4. Quoted from an article in the American Wool and Cotton Reporter:

As a rule, woolen manufacturers were rather surprised when they found from their sounding preparatory to making new light-weight samples, that "virgin wool" fabrics were going to be much in favor, especially for men's wear.

5. Quoted from a Boston publication, known as Fibre and Fabric:

* * * In some of the most fashionable imported goods that our so-called exclusive dressers must have, the shoddy content is greater than "virgin wool."

It should be noted in this connection that here are fabrics in which the purchaser has a right to expect in them not only virgin wool, but the choicest virgin wool. Whether or not the purchaser paid the price of the choice virgin wool for these fabrics containing shoddy, you may estimate for yourselves.

The following are a few of the many instances in which the term "virgin wool" has already come to be recognized and used by leading merchants:

1. Quoted from an advertisement of the Case Shop, Montreal, Canada:

We invite you to visit our shop, see our window display, and learn why Case clothes, tailored by Society Brand Clothes (Ltd.), of virgin wool fabrics at \$55 are to be preferred.

2. Quoted from a booklet distributed by Hart, Schaffner & Marx, to retailers and their clerks:

Wool is the basis of all good clothing fabrics; and the best and finest cloths are woven from "virgin wool;" that is, wool which has never before been spun or woven.

3. Herman C. Ritter, former president of the National Association of Retail Clothiers, in a published statement said:

The day is not far off when we will have standardized fabrics marked "strictly virgin wool." Our patrons are entitled to it—the merchants should demand it.

In addition to the above instances I will just quote one or two instances of where public men, not financially interested in the clothing or apparel business, but who desire a precise term, are using the term "virgin wool."

1. Quoted from a published statement of the Hon. William C. Redfield, ex-Secretary of the Department of Commerce. Mr. Redfield's statement is in part as follows:

A conference was held with officials of the Department of Agriculture, and we were advised that although the Department of Agriculture has been conducting a campaign to stimulate the sheep industry in this country in order to increase not only the supply of virgin wool but also the meat supply of the country, it is the opinion of that department that it is doubtful if the industry can be developed to such a degree that a sufficient supply of virgin wool can be secured to meet the domestic demand, etc.

You will note that Mr. Redfield uses the term "virgin wool." As to the doubt of the Agricultural Department in connection with extending sheep husbandry, I would say it is not to be wondered

at that the Department of Agriculture has become discouraged in connection with the attempt to increase sheep husbandry to a point where we shall provide an adequate supply of virgin wool, in view of the fact that although during the war it was urged upon woolgrowers and even farmers to keep sheep as a patriotic duty, yet, notwithstanding, an appreciable increase in the wool production and in sheep husbandry has not resulted.

It has been suggested during these hearings that perhaps the dog is the reason for the failure to increase sheep husbandry. In this connection I would suggest that important as it is to pass suitable dog legislation, and to restrain marauding animals of whatsoever nature that kill sheep, yet if every dog and every marauding animal in the United States were killed, yet, so long as the woolgrower is compelled to compete with unrevealed shoddy, shoddy that masquerades as virgin wool, sheep husbandry will continue to decline. You might just as well try to protect your chicken yard by building fences to keep out the foxes and skunks and hawks, so long as there is a colony of weasels inside the coop, as to try to protect and rehabilitate sheep husbandry merely by killing the dogs, so long as the woolgrower is forced to compete with unrevealed shoddy.

As with the possibility of extending sheep husbandry, I wish to call your attention to a published statement of W. W. Reynolds, treasurer of the Ohio Wool Growers' Association:

A tariff on wool is of small importance compared to the arch enemy of sheep—shoddy. But we mean to see them protected so that with the blood and knowledge we have we will grow virgin wool for all Americans inside of 12 years.

I will give you one more quotation of the use of the term "virgin wool." I quote from an address delivered by Mr. B. S. Harris, a banker of Champaign, Ill., at an advertising convention held in Chicago on October 27, 1919. Mr. Harris said in part as follows:

When we talk about "all wool," as we used to, we mean just that. Now, some of them get around it by saying "all wool," and we have had to invent the term "virgin wool."

In reference to the term "shoddy" it has been intimated that the term "shoddy" is inapplicable. That the term "shoddy" has become an epithet used to designate anything that may be inferior quality, and that the term "shoddy" would not be understood by the people.

In answer to this it may be stated that since shoddy was first used it has meant wool that had previously been used in clothing, and has always been known to the public and to the trade as "shoddy."

2. All dictionaries, all encyclopedias, designate wool that has previously been used in cloth as "shoddy."

3. The United States Government in its records and statistics classifies as shoddy even the wool obtained from the finest clippings of cloth.

The United States Government in the published census of manufacturing gives the following definition of shoddy:

Shoddy is the generic term applied to recovered wool, cotton, jute, or other fibers of any sort.

The leading dictionaries also define shoddy as being "an inferior substitute."

Therefore all inferior substitutes, not otherwise properly classified, that are used for virgin wool, may be properly brought within the meaning of the term "shoddy."

There are therefore two and only two substitutes for virgin wool that are used in the manufacture of cloth purporting to contain wool. One is shoddy and the other is cotton.

4. The meaning of shoddy and the meaning of cotton is understood by all, and deception is not possible with either the term shoddy or the term cotton. The designation of shoddy, and the designation of cotton in fabrics is absolutely necessary in order to protect people against those who might charge the price of the genuine for a substitute; and who might force the sale of a substitute against the people's will.

5. Designation of shoddy and cotton in fabrics, the two, and only two substitutes for virgin wool, is absolutely necessary in order to protect the people against those who might charge the price of the genuine for a substitute; but to designate any of the subclassifications of either shoddy, cotton, or virgin wool, would impair the protection to the people that the designation of shoddy and cotton guarantees against those who might charge the price of the genuine for a substitute. It would impair this protection because it would open the door to confusion and might, therefore, provide a means of deception.

Mr. SANDERS of Indiana. Why would it open the doors to confusion?

Mr. BRIGGS. Well, you are multiplying terms and you are giving information that is not essential.

Mr. SANDERS of Indiana. Suppose you are giving them information, additional information?

Mr. BRIGGS. It is like a man asking you a simple question. If you make him a direct answer and give him just the information for which he asks, you have avoided misunderstanding, but if you embellish that information with several things that he did not ask, you are liable to cloud his mind.

Mr. SANDERS of Indiana. But the consumer is not asking any particular information. We are proposing to give him the desired information in order that he can test the quality of these goods. Now, if it is a proper thing to give him certain information, why would you say that it is absolutely wrong to give him any additional information under that law?

Mr. BRIGGS. Well, he has asked for specific things, as I will show in a moment or two.

Mr. SANDERS of Indiana. All right, if I am anticipating you.

Mr. BRIGGS. 6. Reworked wool is a subclassification of shoddy, and because it is a subclassification, would if used, establish the principle of subclassification. A principle which would seriously impair the people's protection against those who might charge the price of the genuine for a substitute.

7. The following is quoted from an article in the American Wool and Cotton Report of August 21, 1919:

Since the introduction of the latter term (reworked wool) not very long ago, there has been more confusion in defining the different sorts of wool stock and their relative values.

There seems to be an inclination to discard the name of shoddy and to include every kind that is not the straight original under the head of reworked wool. This is rather

mystifying to those who are not so conversant with the class of material as the experts, or those engaged in handling it. Therefore, there is liable to be a suspicion in the mind of some cloth dealers concerning the character of reworked wool. And to guard against any unseen depreciation by its presence, they may decide to have only the original material.

That the clothing merchants are realizing what this question of compulsory identification of substitutes means to them is indicated by the following resolution, which was unanimously passed by the New Jersey State Retail Clothiers' Association at its annual meeting, January 28, 1920; and a similar resolution subsequently passed by the Missouri State Retail Clothiers' Association.

Now, Mr. Sanders, this resolution tells you what they have asked for. We have heard theories here about what people wanted by eminent scientists and others, and, with all due respect to these gentlemen, and they are qualified to answer in their own sphere of life, I will say that the retailer who is in contact with the public day after day, month after month, and year after year, is better qualified to know and decide what it is and to interpret what it is that the public wants than are other gentlemen who do not come in contact with the public but who can only estimate from their own individual preference. Now, here you have it stated in unmistakable terms what the public wants and what they are asking for; here is what they need.

The resolution reads as follows:

Whereas a large part of the raw material used in manufacturing woolen fabrics and apparel sold as "all wool" is shoddy, and not virgin wool as the public believes; Whereas the public does not even suspect that the term "all wool" may mean wool that has previously been used in cloth;

Whereas the term "all wool" is a mere general term that may include shoddy;

Whereas even the most inferior shoddy may be "all wool";

Whereas the term "all wool," because it fails to distinguish between shoddy and virgin wool, permits fabric manufacturers to secure virgin-wool prices for shoddy fabrics, and thus places tremendous premiums on the use of shoddy by fabric manufacturers, discourages the use of virgin wool by fabric manufacturers, and causes the fabric manufacturers to divert the public's demand for virgin wool from the woolgrowers to the shoddy manufacturers;

Whereas the term "all wool"—because it fails to distinguish between shoddy and virgin wool—places the public at the mercy of fabric manufacturers; deprives the people of their right to choose between shoddy and "virgin wool"; deprives the people of the knowledge of whether they are purchasing shoddy or virgin wool—the knowledge that is the people's sole protection against those who would charge virgin-wool prices for shoddy; and thus rob the public; and

Whereas the unrevealed presence of substitutes, especially shoddy in fabrics and clothes, abrogates the law of supply and demand; places a premium on deceit and profiteering, and violates economic law, and outrages moral law: Therefore be it

Resolved, That the New Jersey Retail Clothier's Association earnestly urge, in the interest of truth and justice, and for the protection of the public, that the United States, at the earliest possible moment, enact legislation making it compulsory to make known the presence of substitutes for virgin wool, especially shoddy, in fabrics purporting to contain wool and apparel made from such fabrics; and in order that this worthy object may be speedily accomplished in the interest of all the people, we request the earnest cooperation of all who desire to see right prevail and honest practice established in all branches of business.

Mr. WHITMAN. May I be permitted to ask the witness a question?

Mr. SIMS. Are you through with your written statement, Mr. Briggs?

Mr. BRIGGS. Yes; I have only a brief statement remaining.

The CHAIRMAN. You may proceed, Mr. Whitman.

Mr. WHITMAN. You made the statement that that shows what the people are demanding. Let me ask you if that meeting was not addressed by Mr. Alexander Walker, president of the National Sheep and Wool Bureau and vice president of the Strong-Heuat Co.?

Mr. BRIGGS. It was so addressed.

Mr. WHITMAN. Let me further ask you whether those resolutions were drawn up before that meeting or whether they were presented by Mr. Walker to that meeting, or whether he assisted in their compilation? The reason I ask that question is that it will be noticed that the wording of the resolution is identical with certain statements that appear in the Wool Growers' Bulletin, and I believe are also in the first part of your speech just now?

Mr. BRIGGS. I would call the attention of Mr. Whitman and the committee to the fact that who wrote the resolution and who introduced the resolution is of small importance in comparison with who passed the resolution, and in connection with this statement, I wish to say that it was passed unanimously, and also the same resolution was passed by the Missouri State Association, which was not addressed by Mr. Walker or any member of the Wool Growers' Association. I want to say, furthermore, that the New Jersey Retailers' Association passed a resolution the year previous to that, unanimously, along the same line, and that Mr. Walker addressed the convention at the earnest request of the president of the association, who importuned him to come over there and address it.

Mr. SANDERS of Indiana. Who did write the resolution, if you know?

Mr. BRIGGS. This resolution is very similar to resolutions that have been passed by the Wool Growers' Association.

Mr. SANDERS of Indiana. I think it is all right, of course, for anybody to take a resolution there. I am not criticizing that, but I was asking just as a matter of interest.

Mr. BRIGGS. I would say in answer to that that this resolution is largely the same, it is changed in its adaptation, but the thought is largely the same as the resolution previously passed on this specific point at this specific time by the Wool Growers' Association. But it is not a new thing to pass resolutions, because not only the wool growers have been passing these resolutions for 20 years, but the retailers also.

And right on this score, inasmuch as the question has been introduced, I want to say that during the war I attended a State retailers' convention at which a similar resolution was introduced, and before the vote was taken the chairman of the convention said, "Now, gentlemen, before we put this to a vote, we have a prominent clothing manufacturer here and I will ask him to take the floor and give the other side," assuming that the clothing manufacturer would be opposed to such an idea. This man, who is a very prominent clothing manufacturer, arose and said: "Gentlemen, there is no other side to this subject and I want to say that not only the public and the retailers but the clothing manufacturers will be protected by knowing what is in the fabric, whether it is genuine or a substitute, and furthermore, unless we do this thing voluntarily, it is a question of but a few years when public sentiment will force us to do it, and how much better for us to do this on our own initiative and in good grace than

to wait and be forced to do it, to do what is obviously right and fair and common honesty."

Mr. BARKLEY. Who is Mr. Walker whose name has been brought into it?

Mr. BRIGGS. Mr. Whitman referred to the president of the National Sheep and Wool Bureau. Am I correct in that?

Mr. WHITMAN. Yes.

Mr. BARKLEY. Who is Strong-Hewat & Co.?

Mr. BRIGGS. They are manufacturers, but Mr. Walker is here in the room, and he can speak for himself.

Mr. BARKLEY. He has not already testified?

Mr. BONYNGE. But he is going to.

Mr. BRIGGS. I am speaking solely as a member of the National Sheep and Wool Bureau, of which I am a member of the board of governors. Mr. Walker is here to speak for his organization.

Mr. SIMS. Do you suppose they are prejudiced against the truth being told by anybody interested in the subject?

Mr. BRIGGS. Judge Sims, I want to say in corroboration of what these retailers said, that I know what they say is true from 18 years' experience in the retail business, in which I have not only sold goods month after month and year after year, but I have met men from all walks of life, Congressmen, diplomats, common laborers, and have adjusted not hundreds but thousands of complaints about clothes. I have sat down in their offices and in their homes, because the policy of the concern with which I was identified was to go after the customer if you lose him and invite him to come back, and if he does not come back, an executive of the company is sent after him.

I have gone into the homes and the offices of thousands of the men and discussed this question, and I know their viewpoint. They have never asked for a designation of the quality of the goods, but they all want to know whether it is the genuine or a substitute.

Now we have said a great deal here about wanting to educate the customers. Gentlemen, I submit to you that if you put designations of quality on a fabric without telling them whether it is the genuine or a substitute, whether it is virgin wool, cotton, or shoddy, and you purchase a suit, you do not know after wearing it to what to credit any merit that it may have, but if you mark it shoddy or virgin wool or cotton—if it is marked, for instance, shoddy, and it wears well, you know that you would give the credit to shoddy for the service and the satisfaction. Now, how in the world are you going to teach anybody anything if you do not have basic facts upon which to work? No scientist would attempt to make any test until he first isolated the main factor with which he is working. Now, if we are going to teach people about clothes, and we never can teach them on technical points, because they are too busy and they have too many other things to do, all we want is basic information so that after they have worn a suit of clothes, if it is shoddy, that deserves the credit, they may give shoddy the credit, and if it is cotton that is deserving of credit, they may give the credit to cotton.

The CHAIRMAN. You mean discredit, do you not?

Mr. BRIGGS. Well, it is not discredit. Mr. Lee pointed out to you that he had no sympathy or patience with this idea that it was not safe to mark a thing cotton or shoddy or any other thing, and he gave you a concrete illustration. I know by experience, and there

are some merchants who are not afraid to tell the truth and who to-day label their goods as cotton, that when a man comes in a store he wants to know, "Is this all wool?" meaning, "Is it free of either of the two substitutes?" When you say that it is all wool he believes that that has excluded not only cotton but shoddy. Now, the term "all wool," as it has been used, shuts out cotton but it does not shut out shoddy. It is manifestly unfair to cotton because, as was stated here yesterday by Dr. Stratton, a fabric containing cotton may be even better than a fabric containing only virgin wool. Now, some merchants have dared to tell the truth, and they have dared to label their fabrics part cotton and part wool. The customer says, "Is this all wool?" "No." But that does not deter him from buying it. He says, "What is the price of it? That looks like pretty good stuff," and he buys it. Large quantities of goods labeled "part cotton" are to-day being sold by honest dealers throughout the country.

It is entirely a fallacy, I know from experience in meeting the public, to assume that because an article is marked shoddy that they will not buy it. They do not want to know the degree of quality; they do not ask for that, but they do want to know whether it is genuine or a substitute. That is a fair question. That is what they ask and that is what you have to answer a score of times a day. Every retail clerk will tell you that. And when you have answered that question it does not mean that he is not going to buy it. If it is a fair price, in many instances he will buy it, but he wants to know, so that after he has worn it, if it is a good suit and if it is made of shoddy or cotton, he can give credit to shoddy or to cotton for the service that the suit has given him. If it is a poor suit and made of virgin wool, he wants to know where to place the blame. Gentlemen, I want to say here that because shoddy has been passed as virgin wool in many instances, when the fabric has gone wrong, the blame has been placed on virgin wool because the public has not known that shoddy was in the garment. Therefore, the iniquities of the shoddy have been visited upon the virgin wool. That is why some people will not buy the cheaper grades of virgin wool to-day, because they have had such dissatisfaction with goods that were labeled "All wool," but which were shoddy, not knowing that it was shoddy, and they have given the blame for dissatisfaction to virgin wool, and they are reaching the point where they are afraid to buy anything except the choicest virgin wool. As was stated by Mr. Wood, whose statement I quoted, they will not buy the cheaper and coarser grades of virgin wool.

Mr. SIMS. The manufacturers have said in substance, as I understand it, that this bill does not furnish the information that the people desire, and so on. Now, there is a very old saying that where there is a will there is a way. If the manufacturers, the dealers, wholesale and retail, and the wool growers, and everybody else want a thing, do you not suppose that these experts can find a way to inform the people and give them that information they really want?

Mr. BRIGGS. We have proved that they can find a way to do a thing that needs to be done.

Mr. SIMS. Then the old saying that "where there is a will there is a way" is still a practical truth and still capable of practical application?

Mr. BRIGGS. Judge Sims, if it was necessary for the protection of the people, and if they were demanding not merely that we give them the primary facts in the case but that we should go ahead and establish gradations, that could be done, if necessary. When the people speak loud enough, and they are speaking pretty loudly to-day, we would do it. They told us when we entered the war, the pessimists said that it would take 10 years to get 5,000,000 men in the field, that it could not be done in less time, and yet we got them in 18 months; we had 5,000,000 men in the field in 18 months. It is always being said that things can not be done.

Within a year prior to the time that the flying machine was demonstrated by Wilbur Wright and his brother, one of our greatest mathematicians, Prof. Newcomb, wrote a book, in which Lord Kelvin, the great English scientist, concurred, in which he said that it was physically impossible to fly. It is the same old story. Why, during the war, when it became necessary to increase the revenues and pass a luxury tax, you remember how every merchant in the country said it could not be done, it could not be collected, that it would be impossible with the great details and intricacies, but it is working—just like a clock to-day. I went in a drug store the other day to buy some small article, I forget what it was, and the luxury tax was added to it, and it was no trouble at all to do it. They have not had to increase their force. They said in the beginning that it would take three times the number of clerks, but they have not put in any more clerks. They said it would double the price of the commodity, but the country to-day is carrying out the provisions of that law.

Mr. SIMS. Well, in other words, where there is a will there is a way?

Mr. BRIGGS. Yes, sir; there is a way. It does not require a great intellect to find excuses for things that we do not want to do. It is the simplest thing in the world. So far as this bill is concerned, it has been testified by eminent witnesses, competent witnesses, that so far as the stamping is concerned, it can be done very easily. I was in a store here the other day and I looked at a silk fabric. The selvage was only one-eighth of an inch, and there was more data on every yard of that selvage than is required by his bill. The stamping is as easy as an ordinary trade-mark, and trade-marks are now being stamped. If it involves any serious difficulty, do you suppose the manufacturers would voluntarily mark their goods with a trade-mark? There is an association of British manufacturers, numbering about 30, who are stamping every yard of their goods. Now, I want to bring out one point that has not been mentioned, so far as I know. It has been repeatedly brought out, by questions and otherwise, that the manufacturer is a big factor in this matter, and how can you ascertain the quality, and that it would not be fair to attempt to give the public the information if you did not take into account the different degrees of skill in manufacture. Why, gentlemen, poor manufacture is just as detrimental to shoddy as to virgin wool, but it is a distinct factor and must be considered so. That has nothing to do with this issue, it does not lessen the importance of raw materials, because there are different degrees of skill in manufacture. We are not helped one iota by confusing the issues.

Now, that concludes my statement, unless there are any other questions that you would like to ask, or if the opponents here, with the chairman's permission, would like to ask any questions.

Mr. MERRITT. Mr. Briggs, you differ with all the Government experts who have been here who say that the information provided for in the French bill would not give the public any substantial useful information?

Mr. BRIGGS. Mr. Merritt, what I have stated and what I repeat is that that is not what the people are asking for. They are not asking in this case any more than they asked in the pure-food laws; that you shall certify quality and that you have a precedent to go by in the pure-food laws. Now, the pure-food laws do not certify quality. They simply tell you that you are buying squash and not turnips, but they do not tell you the degree or quality of squash that you are buying. That informs the public, and now they want the same principle applied to fabrics. They do not ask you to go ahead and put on a million experts and increase the Department of Agriculture or the Bureau of Standards, or anything of that sort. That is the function of the individual manufacturer. Mr. Goodall yesterday told you that the trade-mark is put on his palm beach fabrics. That is the function of the individual manufacturer to establish the different grades of cloth, the different grades of quality in the goods that he sells. Now, the different grades of oleomargarine have been established and trade-marked. That is the function of the manufacturer. The United States Government did not undertake to assume that responsibility. The people never asked them to do it. They simply said, "You tell us this much, and then we will know; if it tastes good we will give credit to the oleomargarine." They have different grades of oleomargarine established by individual manufacturers.

Mr. MERRITT. The testimony has been that a large per cent, assuming it is 60 per cent, of all the woolen goods are now made of pure virgin wool.

Mr. BRIGGS. Congressman, I invite your attention—

Mr. MERRITT (interposing). Just wait until I get through my question.

Mr. BRIGGS. Pardon me.

Mr. MERRITT. You seem to be occupying the floor, and I thought I would like to take just a moment.

Mr. BRIGGS. Excuse me; I did not understand that you had asked a question.

Mr. MERRITT. I had not finished. The testimony thus far has shown that a large part of the wool, possibly 50 or 60 per cent, is made of pure virgin wool. Now, my question is, if that is so, and if the public cry for this information so much, why has it not been to the advantage of more manufacturers to so stamp their goods as virgin wool?

Mr. BRIGGS. I would ask that question of the fabric manufacturers.

Mr. MERRITT. But you are telling what the public wants?

Mr. BRIGGS. It is a mystery to the people why that is not done.

Mr. MERRITT. Well, that is an answer.

Mr. BRIGGS. But I want to say, Congressman Merritt, in answer to the first part of your question—you say that it has been stated that 60 per cent of goods is all virgin wool. That has been alleged, but it has not been substantiated by any figures. I submit to you figures

which are basic facts. We only have basic figures. We will have next year, when the census report is compiled, more accurate figures; but we now have only basic figures, and we do have basic facts. For instance, that there is only 3 pounds of scoured wool apiece for us. Now, you can see how far that will go in clothing the people of this country, to say nothing of carpets and upholstering. It is only a simple problem in mathematics.

Mr. CLARK. The gentleman is not correct in stating that the figures have not been given to show that 60 per cent of the yardage of the country, based upon the last census, was all virgin wool. The actual yardage was given.

Mr. BRIGGS. The figures have been given to show the yardage, but no figures have been given to show that it was all virgin wool, nor has it been shown what they were made of.

The CHAIRMAN. The committee is obliged to you for the time and information you have given in the presentation of your testimony. We will now hear from Mr. Joseph E. Davies. Mr. Davies, will you state your name, address, and whom you represent?

STATEMENT OF MR. JOSEPH E. DAVIES, SOUTHERN BUILDING, WASHINGTON, D. C., REPRESENTING THE AMERICAN FAIR TRADE LEAGUE.

Mr. DAVIES. Mr. Chairman and gentlemen of the committee, my name is Joseph E. Davies. I appear here in a dual capacity. I represent the American Fair Trade League, and I also appear here in a personal capacity. The reason for the latter appearance is found in the fact that in public service for the last several years I have acquired considerable information with reference to this problem of misbranding and mislabeling, which I think might be of value to you and which I feel it incumbent upon me to state to you.

The American Fair Trade League, gentlemen, I take it, you are familiar with. It has, among other objects, to promote honesty in manufacturing, advertising, and merchandising for the mutual interest of the consumer, the middle man, and the manufacturer; to bring to the public information of existing evils in merchandising methods which operate to the injury of society; to aid in securing the enactment and enforcement of laws, State and National, that will prohibit and penalize unfair competition, prohibit and penalize dishonest advertising, and prevent the elimination of the smaller business man by unfair business methods. This organization is composed of some of the most responsible and largest business organizations of the country. It has an interest in this legislation which you are considering, and that is a public interest, to prevent the deception of the public by mislabeling or misbranding. It is in favor of the principle of Congressman Barkley's bill.

Mr. SANDERS of Indiana. Mr. Chairman, I wonder if at this point we could have the membership of this Fair Trade League, and about what size it is?

The CHAIRMAN. If it is available, it will be inserted in the record.

Mr. SANDERS of Indiana. It would be of assistance to us.

Mr. DAVIES. I will give you the names of the officers and the names of some of the representative concerns, which I think will give you the information you desire.

Mr. SANDERS of Indiana. I do not care to have them enumerated, but in a general way I want to know what class they are and how many they are.

Mr. DAVIES. Mr. Whittier is here and can give you that information. He is secretary and treasurer of the league.

Mr. WHITTIER. I might answer that question in a general way. There are approximately 160 manufacturers. There are about the same number of jobbers, jobbing organizations.

Mr. SANDERS of Indiana. Textile manufacturers?

Mr. WHITTIER. No: not textiles.

Mr. SANDERS of Indiana. Are there any textile manufacturers?

Mr. WHITTIER. Oh, yes; there are some. Cheney Bros., of South Manchester, Conn., for instance. There are about 1,000 retailers, and those retailers are neither of the largest class, as a rule, of the department-store class, nor of the smaller class. They are the great middle class of retailers who suffer from certain forms of unfair competition on the part of the large dealers and suffer equally from the auction dealers, the fake merchants that are found everywhere. Approximately the membership of the league is between 1,200 and 1,500. It varies from year to year, and affiliated with it are some 600 jobbing and retailing organizations, organizations of jobbers and retailers and manufacturers.

The CHAIRMAN. Will you proceed, Mr. Davies?

Mr. DAVIES. Mr. Ingersoll, of the Ingersoll Watch Co., is president; Dr. Galloway, of New York University, is vice president; Mr. Whittier is secretary. Other typical organizations are the American Chain Co., and organizations of that character in the manufacturing world. It also includes in its membership State associations of retailers and wholesale jobbers, etc. It is an organization that is devoted to the protection and promotion of fair trade.

Mr. JONES. Are you interested in the French bill or in the misbranding bill?

Mr. DAVIES. The misbranding bills.

Mr. JONES. You are not going to talk on the question of compulsory branding?

Mr. DAVIES. Not at all, except that I might suggest that there is considerable information available on that subject in the files of the Federal Trade Commission which might be of value to your committee.

Mr. JONES. You can put that in as a part of your remarks.

Mr. DAVIES. I can do it now. It is very brief. I am not at all familiar with the French bill. I am not interested in it particularly, but while listening to the testimony here this morning my attention was recalled to the fact that the Federal Trade Commission had recently issued complaints in connection with woolen underwear and alleged misbranding. One complaint, I believe, was issued in November, 1918.

Mr. JONES. I did not intend to break in on your logical order of procedure.

Mr. DAVIES. It will not interrupt me at all. The cause alleged in the complaint was the stifling and suppression of competition in the manufacture, and sale of underwear by labeling and advertising certain lines of underwear composed of a small amount of wool, as "Men's natural merino shirts," "Men's part wool shirts," "Men's

natural wool shirts," "Men's natural worsted shirts," "Australian wool shirts," such labels and advertisements being false and misleading and designed to deceive the trade and the general public into the belief that such underwear was composed wholly of wool in violation of section 5 of the Federal Trade Commission act. There were, I believe, some other 30-odd complaints, of a similar character filed, where the allegations were that there was a mislabeling of wool shirts to deceive the public. I understand that the result of that proceeding was that practically all of these manufacturers came before the commission and consented to certain facts being stipulated as facts of record, and upon that stipulation a consent decree and an order was issued prohibiting the continuance of that practice and ordering all the respondents "to cease and desist" under the Federal Trade Commission act. Now, that is a concrete situation that might contain suggestions germane to your thought in connection with this matter and might be helpful to you.

Mr. WINSLOW. Mr. Davies, is it not one of the functions of the Federal Trade Commission to handle just such matters as that?

Mr. DAVIES. Yes, with certain limitations. Section 5 of the Federal Trade Commission act provides that the Federal Trade Commission shall prevent unfair methods of competition. There has been a good deal of discussion both before the commission when I was a member of it and in the courts as to what the words "unfair methods of competition" mean. The question is whether unfair trade practices, where the element of competition is not directly concerned, is included within the term "unfair competition." There are those who believe that unfair methods of competition include all unfair practices in trade. Among those has always been myself. I have always believed in the broad construction of the term and under that construction there is no question but what there is a remedy for many of these abuses under Section 5 of the Federal Trade Commission act.

I must say, however, that there is room for a contrary opinion, and very good reason might be advanced to support it. So there might be some question as to the jurisdiction of the commission to attack these evils under section 5, and no one can foresee what the circuit court of appeals or the Supreme Court might hold. In these particular cases which I referred to the question of jurisdiction was not fought out to its conclusion. The manufacturers came in and recognized that the commission had the facts, that their investigators could prove just exactly what they alleged, and they then consented to the entry of certain facts as of record and upon that stipulation, they consented as a matter of decent citizenship, to discontinue the practices.

Mr. WINSLOW. Are there any cases in which the recommendations of the commission to manufacturers to desist have ever been rescinded and not recognized?

Mr. DAVIES. I was amazed to hear that in a situation of this kind where certain manufacturers had stipulated the truth of the allegations and had then consented to an order, that subsequently they had switched their position and had rather violently assailed the commission, although by their conduct they had conclusively established that they could not withstand public opinion and the proper enforcement of the law by the commission. Of course, men

who are haled into court and who admit that they have pursued a course of conduct that is not in accordance with the highest ethics of the trade, to say the least, do not feel kindly toward that agency, public or otherwise, that stopped it. That is human nature.

Mr. WINSLOW. As a matter of real practice, has the operation of the Federal Trade Commission resulted in the discontinuance of the practices of which complaint has been made?

Mr. DAVIES. Oh, yes; because when the order is entered, if the order is violated they may become subject to an order of the circuit court of appeals or other Federal court, and upon the violation of that order they are subject to contempt proceedings.

In connection with the attitude of respondents to the commission, I should like to say that in my opinion the situation which I have described is rather an unusual one. I believe from my experience on the commission that quite the contrary was the general rule. For instance, when the commission was first organized this situation obtained in the silk trade. Mr. Horace Cheney, a very fine splendid citizen, whom you probably know, engaged in the manufacture of silks, found himself confronted with a condition where other manufacturers of silk fabrics were labeling their goods as "Silkateen" or some such word that conveyed to the public the idea that the predominating factor in the constituent elements of the fabric was silk, whereas as a matter of fact it was not. It was cotton or some other substitute. He did not think, and a great many other gentlemen in the silk trade did not believe, that that was good merchandising or good business. They did not want to do it but they had to do it in order to meet the competition of everybody else that was doing it, and no single individual could stop it because if he did he would lose his trade. It could only be stopped by joint action, and there was not enough public interest in the whole trade to get an agreement to stop it, and perhaps under the law they could not do it because it might perhaps affect competition under the Sherman law. So the complaint being filed with the Federal Trade Commission, I took it up, having the matter in charge, with practically all of the leading silk manufacturers of the country and held a conference with them up in New York at their silk association rooms, and they practically all agreed that there was no way in which they could morally justify palming off those fabrics as silk which were not in fact silk, hat these names were misleading and they should not be employed. The net result of it all was that we stipulated as to certain facts and we entered what we called a conference ruling, and I think perhaps it might be interesting to you if I were just to read a typical ruling. It will give you a picture of what happened there:

[From the records of the Corporation Trust Co.]

FEDERAL TRADE COMMISSION, WASHINGTON, D. C.

CONFERENCE RULINGS NOS. 49 AND 50, MARCH 17, 1917. (RELEASED FOR PUBLICATION MAR. 21, 1917.)

49. *Misbranding—Misleading labeling and advertising—Competitive method discontinued.*—On application for the issuance of a complaint, it is alleged that a manufacturer labeled certain fabrics as "Oxford and Cambridge silks," which in fact were not genuine silk, and that such manufacturer advertised and sold said fabrics under such labeling in interstate commerce.

Upon investigation, and after informal conference with the respondents, it appeared that the goods labeled as "Oxford and Cambridge silks" in fact contained only 15 per cent genuine or cocoon silk and 85 per cent of other material, and that such manufacturer advertised and sold said fabrics generally, in interstate commerce, under such label; and

It appeared further that such practices in this industry have grown up gradually and partly through the necessity of meeting competitively like practices by others; and

It appeared further that respondents are ready and willing to cooperate with the commission to end all such unfair methods in said industry and trade; and

It appeared further that respondents have now changed their brand of such goods from "Oxford and Cambridge silks" to "Oxford and Cambridge drapery fabrics," and that respondents have also taken steps permanently to discontinue all other methods of labeling and advertising used by them which may be unfair to competitors or may deceive the consuming public.

Held, That such practice of labeling, advertising, and selling in interstate commerce, fabrics as "Oxford and Cambridge silks" without qualifying terms which clearly designate that class of fabrics composed partly of silk, when in fact the fabrics complained of are composed only in part of genuine or cocoon silk, is an unfair method of competition within the meaning of section 5 of the Federal Trade Commission act, in that such practice is calculated to deceive the consuming public, and thereby injure others who are engaged in selling a similar class of fabrics under labels and advertisements which correctly designate their product, and also to injure those engaged in selling genuine silk fabrics.

Held further, That, respondents having taken steps permanently to avoid all unfair competition in the matters complained of, and to avoid all probable deception and injury to the consuming public, it does not appear to the commission that a proceeding by it in respect thereof would be in the interest of the public.

50. *Misbranding—Misleading labeling and advertising—Competitive method discontinued.*—On application for the issuance of a complaint it is alleged that a manufacturer labeled certain fabrics as "St. Regis silk," which in fact was not genuine silk, and that such manufacturer advertised and sold fabrics under such labeling in interstate commerce.

Upon investigation, and after informal conference with the respondents, it appeared that the goods labeled as "St. Regis silk" in fact contained no genuine or cocoon silk, and that such manufacturer advertised and sold said fabrics generally, in interstate commerce, under such label; and

It appeared further that respondents are ready and willing to cooperate with the commission to end all such unfair methods in said industry and trade; and

It appeared further that respondents have now discontinued the manufacture of the goods formerly labeled "St. Regis silk," and that respondents have also taken steps permanently to discontinue all other methods of labeling and advertising used by them which may be unfair to competitors or may deceive the consuming public.

Held, That such practice of labeling, advertising, and selling in interstate commerce, fabrics advertised and labeled as "St. Regis silk," when in fact the fabrics complained of contain no genuine or cocoon silk, is an unfair method of competition within the meaning of section 5 of the Federal Trade Commission act, in that such practice is calculated to deceive the consuming public, and thereby to injure others who are engaged in selling a similar class of fabrics under labels and advertisements which correctly designate their product, and also to injure those engaged in selling genuine silk fabrics.

Held further, That, respondents having taken steps permanently to avoid all unfair competition in the matters complained of, and to avoid all probable deception and injury to the consuming public, it does not appear to the commission that a proceeding by it in respect thereof would be in the interest of the public.

CONFERENCE RULING NO. 56, APRIL 26, 1917.¹

56. *Misbranding—Misleading labeling and advertising—Competitive method discontinued.*—On application for the issuance of a complaint, it is alleged that a manufacturer labeled certain threads, no one of which contained any silk, respectively, as follows: Sansilk, "Silkateen," Silkateen darning floss, Silkiné crochet, and Silkiné art thread, and that such manufacturer advertised and sold such threads under such labeling in interstate commerce.

¹ Released for publication Apr. 28, 1917.

Upon investigation, it appeared that no one of the threads labeled as: Sansilk, "Silkateen," Silkateen darning floss, Silkiné crochet, and Silkiné art thread, in fact, contained any genuine or cocoon silk; and that such manufacturer advertised and sold said threads generally in interstate commerce under such labels; and

It appeared further that such practice of using fanciful words, of which the letters s-i-l-k constituted a part, may have grown up (as alleged by respondent) as a result of the necessity of meeting competitively like practices by others; and

It appeared further that whatever possible confusion and deception resulted were without any specific intent on the part of the respondent; and

It appeared further that respondent voluntarily took steps promptly to correct every possible confusion and deception that might result from such practice; and

It appears further that respondent has now permanently changed each of the labels complained of by placing the fanciful words within quotations and by adding thereto certain words in conspicuous lettering as follows: From Sansilk to "Sansilk" mercerized crochet cotton; from "Silkateen" to "Silkateen" mercerized crochet cotton; from Silkateen darning floss to "Silkateen" mercerized cotton darning floss; from Silkiné crochet to "Silkiné" crochet cotton; from Silkiné art thread to "Silkiné" art thread mercerized cotton.

Held: That such practice of labeling, advertising, and selling in interstate commerce threads labeled as "Sansilk," "Silkateen," Silkateen darning floss, Silkiné crochet, and Silkiné art thread, without the use of qualifying terms which clearly indicated that such threads were not composed of silk, when in fact they contained no silk, is, even in the absence of specific intent, an unfair method of competition within the meaning of section 5 of the Federal Trade Commission act.

Held further: That respondent having promptly and voluntarily agreed and taken steps permanently to avoid all unfair competition in the matters complained of, and to avoid all further possible deception and injury to the trade and the consuming public, it does not appear to the commission that a proceeding by it in respect thereof would be in the interest of the public.

CONFERENCE RULING NO. 57, MARCH 21, 1917.²

57. *Use of similar corporate name—Competitive method discontinued—Public interest.*—Upon application for the issuance of a complaint it appeared that a corporation engaged in interstate commerce adopted in 1901 the corporate name "National Oil & Supply Co.," and that another corporation engaged in interstate commerce adopted in 1916 the identical name. It further appeared that, while located in different cities, these corporations were selling the same class of goods in the same markets, and the use of the identical corporate name was resulting in confusion and deception of the public. The commission took up the subject matter of the application with the corporation last adopting the name "National Oil & Supply Co.," which voluntarily agreed to discontinue the use of the name and to adopt in lieu thereof the name "United States Oil & Supply Co."

Held: (1) The use by a corporation of a corporate name, consisting of a combination of several generic and descriptive words, in the identical form or combination previously adopted by a corporation engaged in the manufacture and sale of the same class of goods in the same market, is an unfair method of competition in that it is calculated to deceive the public and thereby result in injury to the competitor previously adopting the name. (2) The use of the name "United States Oil & Supply Co." does not constitute an unfair method of competition as against the National Oil & Supply Co. (3) The practice complained of having been permanently discontinued, it does not appear to the commission that a proceeding by it in respect thereof would be to the interest of the public.

That had to do with threads.

The CHAIRMAN. That was a conference agreement?

Mr. DAVIES. That was a conference ruling. That was the situation where the commission did a piece of constructive work with the consent of the manufacturers and with their express approval and desire that the work should be done. It was done without a formal complaint. It was done practically by agreement. The results were speedily achieved and accomplished to the benefit of the public and to the benefit of the competitors in the silk business who could not do it themselves because they could not agree among themselves to do it.

² Released for publication May 5, 1917.

The CHAIRMAN. So the ruling had really the effect of an order?

Mr. DAVIES. The ruling has had the effect of an order. Now, the other case, the wool case, was a situation where a complaint was issued. After the complaint was issued the answer was filed. Issue was thus joined and thereafter an agreed statement of facts was stipulated and upon that agreed statement of facts an order was entered.

Mr. DEWALT. Conceding it as a fact that there are many fabrics now being manufactured in which the term virgin wool is used, which really contain shoddy, do you think that the Federal Trade Commission under section 5 could take hold of a case of that kind where the fabric itself does contain shoddy?

Mr. WINSLOW. Bro. Dewalt, for the purpose of clarifying the suggestion, possibly you have made a statement that you did not intend to make. As far as I know, there is no evidence here to show that anything is marked virgin wool.

Mr. DEWALT. No; it is advertised as such.

Mr. WINSLOW. As containing shoddy?

Mr. DEWALT. No; advertised as virgin wool which usually does contain shoddy, as I understand it.

Mr. WINSLOW. It may be, but I have not had the experience.

Mr. DEWALT. Conceding the case to be this——

Mr. CLARK (interposing). All wool.

Mr. DEWALT (continuing). That an article is either marked or advertised to be all wool and the popular conception is that that means virgin wool, but the fact is that it contains shoddy, would section 5 take care of a case of that kind?

Mr. DAVIES. Of course, a curbstone opinion is not of much value; but my advice in that situation would be to file an informal complaint alleging the facts as you state them. Then, if, as a matter of fact, there was deception, which of course the evidence would have to determine, then it seems to me that the Federal Trade Commission, to be consistent with its views, with its previous conduct, would have to issue a formal complaint and try the situation out, and in my opinion it would. What the result of the proceeding would be I do not know. It would depend upon the evidence, whether there was actual deceit or deception.

Mr. DEWALT. Now, in the case you gave us, Mr. Davies, of silka-teen, it seems to be affirmatively shown, or at least the Federal Trade Commission accepted it as affirmative, that there was no intent to deceive. I so understood you.

Mr. DAVIES. There was no willful intent to deceive, but constructively there was an intent to deceive. In other words, there was a deception.

Mr. DEWALT. Now, take the article that is being advertised as all wool. As I understand the situation, the popular belief is that that means that there is no shoddy, no reworked wool. Now, if the fabric is thus advertised and either the ultimate consumer or the middle man was to make complaint that this led to deception, popular belief being that all wool meant virgin wool and not a composition of virgin wool and shoddy, then the question is, Would that be met by the provision of section 5 in your opinion as a former member of the Federal Trade Commission?

Mr. DAVIES. In my opinion, yes, sir.

Mr. WINSLOW. Suppose that for a number of years a certain wool cloth had been recognized and known to the trade under the name of all wool, and that later on somebody conceived the phrase virgin wool. To which side of the controversy would it be possible to attribute the injustice of the treatment?

Mr. DAVIES. I would hesitate to reply to that question.

Mr. WINSLOW. Would it not be seen that the man who had described for 25 years a cloth as all wool, never having heard of the term virgin wool, had established a right to that description of the cloth?

Mr. DAVIES. I must confess it means more to me to say "all wool" than "virgin wool." I never heard of "virgin wool" until this morning.

Mr. WINSLOW. Now, within 25 years, if somebody, for good business reasons, is clever enough to invent a term that is catching and calls it virgin wool, is there any injustice done to him if the other man continues to do what he has done for 25 or 30 years, or to the public?

Mr. DAVIES. The fabric being all wool?

Mr. WINSLOW. The fabric being just as represented in both cases.

Mr. DAVIES. I should think not, personally.

Mr. JONES. Mr. Davies, if there is an imposition on the public and evils exist which are covered by the provisions of the act creating the Federal Trade Commission, is it your opinion that evils of that kind should be remedied by amendment to the Federal Trade Commission act if the Federal Trade Commission does not now take care of them, or would you advocate the enactment of a multitude of laws for every particular subject matter?

Mr. DAVIES. Congressman Jones, I was addressing these facts to that very proposition. I wanted to show that which is apparently not known to your committee, and in doing that I am appearing purely in a personal capacity, not as a former member of the commission and not representing any one, but having a very deep interest in the Federal Trade Commission and knowing a very large amount of good that it has done which is not heralded abroad, which is not generally appreciated—such, for instance, as this procedure with reference to Silkateen and with reference to silks, work that is quietly done that is not appreciated. Now, here is a committee of the greatest legislative body in the world in conference on this matter of misbranding, and apparently the Federal Trade Commission has not advised you of what it has done upon this subject nor are you aware of what has been done apparently, and I took it upon myself to ascertain what the facts were without their solicitation, and in fact without their knowledge except through the secretary, to run this down, because this was my hobby when I was on the Federal Trade Commission, and to state to you what had been done to prevent misbranding and to do it by constructive processes, to do it speedily, to do it without process of long litigation, if it was possible, and to do it with the accommodation of the business interests themselves. This was one of the things for which the Federal Trade Commission was designed and which in many instances it has done but which function has been lost sight of because of the other more well known functions it has had to perform under the direction of Congress.

The CHAIRMAN. The Federal Trade Commission is now sending the Members of Congress a weekly statement of actions taken by it, cases pending and the cases disposed of. There is a New York agency which sends to us a loose-leaf copy of the various proceedings before the commission, giving a synopsis of the findings of the commission. Of course, that is not as broad and as extensive as we would like to have in every instance, nor does it give us an opportunity to fully determine the merits of a proposition, but still it gives us some data as to what has been done by the commission.

Mr. DAVIES. I appreciate that, Mr. Chairman; but I also appreciate that you are all busy men, and that it is a very difficult thing to digest all of these matters that are formally presented to you. That is why I have attempted to digest it for you, because I thought it might be helpful to the committee.

There have been filed with the Federal Trade Commission 127 complaints involving misbranding. The total number of complaints disposed of by the commission was 87. The total number now pending before the commission is 40. The methods by which these 87 have been disposed of were, 42 by ex parte proceedings; that is, by conference rulings after the manner which I have described in the silkaine proceeding, 45 by applications ordered to formal complaint. The 45 applications ordered to formal complaint resulted in the issuance of 87 formal complaints, the excess being due to the fact that in some applications there were a number of respondents which were proceeded against individually. The present situation of the 87 is as follows: Formal complaints involving misbranding, 87; disposed of by order to cease and desist, 34; dismissed for lack of evidence, 1; pending formal complaints involving misbranding, 52.

Now, here are some of the commodities involved in these applications filed with the commission involving misbranding: Jewelry, garden seeds, paints, oil, gasoline, turpentine, cotton goods, bicycles, bedding, cordage, soap, celluloid, clothing, coal, underwear and hosiery, brick and tile, corn starch, coffee, men's collars, dental rubber, cordials and sirups, cotton goods, miscellaneous foodstuffs, animal and poultry food, fountain pens, glass, hair restorer, leather goods, linoleum, safety matches, evaporated and condensed milk, motion pictures, ochre, horse collar pads, writing paper, perfumery, explosives, typewriters, sponges, automobile tires, disinfectants. Here, then, is a list of 40 or 50 different commodities in which there have been complaints of alleged misbranding filed with the trade commission and with reference to which it is taking corrective measures.

Mr. SIMS. Mr. Chairman, in the beginning Mr. Davies started to say something in reference to the Barkley bill and we have asked something about the French bill and he has gotten away from the Barkley bill. I would be very glad if he would say something about the Barkley bill.

Mr. SANDERS of Indiana. I am very much interested in this Federal Trade Commission matter, and I think he should go on with it.

The CHAIRMAN. I think Mr. Davies will develop that as he goes on.

Mr. DAVIES. I think I have pretty well developed my thought in response to the questions. Briefly, the thought as it was assembled in my mind, was this, that the principle of the Barkley bill and the

Rogers bill is right. Second, there is room for just such additional definition as is contained in these bills. These bills, moreover confer express power and relieve the situation of any doubt as to the jurisdiction of the Federal Government over misbranding. The only law under which you can proceed through a Federal agency at the present time for misbranding, outside of the Department of Agriculture, as to general commodities, is section 5 of the Federal Trade Commission act, and as I outlined in the beginning, in my opinion there may be room for division of judgment as to whether or not that does permit of the stopping of these misbranding practices through its procedure.

In a report which I made as commissioner of corporation in 1915, entitled "Trust Laws and Unfair Competition" which covered the different laws of the countries of the world, including our own, with reference to competition and unfair methods of competition, there is some discussion on pages 521 to 529 and 530, and also in subsequent parts of the volume, with reference to misbranding or falsely marked goods, not only in this country but also in all the other countries of the world. It might be of value to have me send to the clerk of the committee these excerpts and have them incorporated in the record so that you might have them for such use as you may desire.

The CHAIRMAN. We will be glad to receive it.

Mr. DAVIES. The gist of the matter is simply this; that practically the same condition exists with reference to legislation as to misbranding, as in many others. There is much confusion with reference to such legislation, State and Federal. Many States have attempted to prevent misbranding and mislabeling of goods. They approached it from different standpoints, they cover many different subjects, many different commodities. Some are general and some are specific. It illustrates the necessity, in our complicated industrial organization of to-day, characterized as it is by interstate commerce, of having some Federal agency define the misbranding and mislabeling of goods and declare such practices in interstate commerce as contrary to the law. So that this important situation be not left to conflicting enforcement through the individual States with their varying provisions of law. I judge that both Congressman Barkley's bill and Congressman Rogers's bill were drafted from the British bill of 1887 and the Canadian bill, both of which are treated in this volume on unfair competition. The Rogers bill being somewhat more specific, it appeals to me very strongly. I have always been for Congressman Barkley's bill.

Now, that leads me to this suggestion, if I may venture to offer it. In both of these bills the jurisdiction for the enforcement of this power is conferred upon the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of Agriculture, and the duty is imposed upon the departments of making uniform rules and regulations. Now, without holding any brief for the Federal Trade Commission, I think I have given you facts enough here to indicate that here is an agency of Government which has given a great deal of thought and attention to this matter and which knows a great deal about it, which has been doing in part some of the things which evidently this legislation is designed to effect, and perhaps, therefore it might be wise to consider the insertion in the bill of some provision

that would charge the Federal Trade Commission with the responsibility for the enforcement of the law, with, perhaps, the aid of the Department of Agriculture and the Department of Commerce. For myself, I do not believe in division of responsibility or authority. Nor do I believe in joint powers. It seems to me that it would be very advisable to clothe both responsibility and power in one agency but at the same time make provision that other departments of the Government shall be available for aid and assistance to that agency.

Mr. BARKLEY. Mr. Davies, right there let me suggest that my bill was introduced before the Federal Trade Commission was created. It was the result of hearings held by a subcommittee of this committee for some time. Since the creation of the Federal Trade Commission it has occurred to me that it ought to be yoked up in some way with this proposition, but whether it should be substituted for the three secretaries, in making the uniform rules, I have not been satisfied with my own opinion about it, or whether it should be combined and have a voice in the making of the rules and subsequently to have jurisdiction to make investigations. I would like to get your views as to just what part you think the commission ought to play in the preliminaries and in the enforcement of the law after it is enacted.

Mr. DAVIES. Well, my idea with reference to all of these regulations differs in part from the ideas of some men who have been on the commission in the past and perhaps from the ideas of the present commissioners, so I am only expressing, of course, my view. There is a provision in both of these bills that looks to securing the accommodation of business regulation by informal proceedings rather than by formal proceedings. The suggestion is contained in both of these bills that the Secretary of Commerce shall cause the complaint to be issued informally, first by the Bureau of Standards, and that the party charged shall be given an opportunity to be heard, and that then the inference is that the party shall be given an opportunity to desist and that if the party does not desist that then the matter shall be submitted to the United States District Attorney. I think that is a splendid thing to do. It has been my experience when I was on the Federal Trade Commission that there are comparatively few men who are willfully and deliberately violating the law. There are such men, to be sure, and they should be punished. But in the large majority of instances unfair practices of this kind are the result of competitive conditions over which the single individual competitor has no control, and he is forced into it as a matter of keeping his business going. It has been my observation that men, as in these silk cases, when they are called together by a Government agency and the proposition is put up to them, do not oppose remedying the situation. As a matter of fact, they welcome it. Men generally in business throughout the country prefer to be honest rather than to be dishonest. They prefer to make a truthful allegation rather than a deceptive allegation, provided their competitors are also compelled to resort to the truth rather than to deception. I think there is a great work to be performed by these agencies upon that theory. If in the sale of any of these goods, wool or turpentine or paints or automobile tires, one manufacturer knows that a Federal agency is making an investigation into that business, that that agency is clothed with power to issue a complaint for unfair branding, he will

come down and he will agree with all of his other competitors and agree with the Government agency to stop it. You will get a speedy elimination of the evil without the law's delay, without the ignominy and the calumny of holding a man up to public disgrace by indictment. In many instances that is proper and it should be done, but in many instances it should not be done. Where it is an economic and not a moral crime, where it is *malum prohibitum* and not *malum in se*, as the lawyers speak of it, it is my opinion that you should get the matter adjusted in the public interest in the most speedy and efficacious manner possible without resorting to criminal prosecution. If, on the other hand, there is a willful intent, a willful determination to be unfair and to disregard the law and the policy of the law, and where there is a long continued course of conduct that indicates a conspiracy to violate the law which both great parties of this country have established as the law of the land, then indict, but do not do it unless that situation is clear. Now, in most of these misbranding situations it is my judgment that there is not a willful intention to deceive, but it is a situation that has grown up under competitive conditions where men have to meet the fertility of suggestion of commercial minds in making their marks, etc., in competition, and it grows like a snowball. Now, in direct answer to Congressman Barkley's inquiry, my idea would be that personally I would place the responsibility upon the Federal Trade Commission and I would clothe it and indeed charge it with express power to do what I have described. That is the function for which the Federal Trade Commission was originally conceived and for which the act was passed.

Mr. BARKLEY. Do you mean by that you would clothe it with the power to make regulations for the enforcement of the law in so far as they did not involve criminal prosecution? Of course, in cases involving criminal prosecution it would have to be submitted to the law officers of the Government just as it is now?

Mr. DAVIES. Yes, sir; but I would have the corrective processes resorted to first.

Mr. BARKLEY. Now, would you have that done by the Federal Trade Commission or by the Bureau of Standards, as provided in these bills, or by the various departments before whom it came? What agency would you have to turn the matter for criminal prosecution to the Attorney General or the district attorneys throughout the country?

Mr. DAVIES. I would make the machinery of the act such that the duty of the investigation would be upon the Federal Trade Commission. I would make the provision of the law such that upon an agreement by these parties to cease and desist it would be then within the discretion of the Federal Trade Commission whether to make it a criminal offense or not by turning it over—well, that is a rather broad statement, but I would make it discretionary with the Federal Trade Commission as to whether they should turn the facts over to the district attorney or not.

Mr. SIMS. In other words, you would make them the grand jury?

Mr. DAVIES. Yes. I would clearly indicate that it was within the contemplation of the law that practical results were to be achieved rather than criminal prosecutions, with a clause in the law that in the event that the situation were willful and malicious, that the commission might then be turned over to the district attorney for prosecution

under a law with teeth in it; but I would charge the commission with the primary duty of securing speedy results through accommodation if that were possible. It is my judgment that the reasons why there have been no convictions under the Sherman law, for since 1892 there has only been one man sent to jail and he was a longshoreman and he was only in jail two or three hours down in New Orleans—the reasons why there are no convictions that stick for violations of the Sherman law, in my opinion, is the fact that juries are loath and courts are loath to convict a man for purely economic crimes.

Mr. SIMS. Mr. Davies, Mr. Esch was on the committee at the time this Trade Commission law was prepared. Prior to that time business men had often referred a state of facts to the Department of Justice or to the legal authorities. They would say, "Now, will so and so be a violation of the law?" To which the response was, "We only deal with the question after an act has been done as to whether the act was a violation or not. We do not propose to say what is a violation and what is not." Now, the Federal Trade Commission, composed in part of business men, to whom they could refer these matters and avoid violating the law, and avoid, as you say, the horrible contemplation of an indictment and a trial before the country, and being advertised all over the country, when they were just as anxious to avoid violating the law as Congress was that that law should not be violated.

Mr. DAVIES. Judge Sims, that was the purpose back of the Federal Trade Commission act, and one of the great reasons for its promotion, beyond any question. Unfortunately that was not translated into the law and the result has been that, from the debates of Congress and from the committee reports, there is rather a clear indication that that power should not be exercised, and consequently it has not been exercised by the Federal Trade Commission except through these conference rulings, and those conference rulings followed the conference rulings of the Interstate Commerce Commission and the precedents of the Department of Agriculture. Now, when I was Commissioner of Corporations—this is not directly germane, however, and I do not wish to take up your time unduly on this—

The CHAIRMAN. You have a few minutes yet, Mr. Davies.

Mr. DEWALT. Before you go I would like to ask a few questions.

Mr. DAVIES. I know of many cases where men came before me as Commissioner of Corporations in good faith and honestly, I believe, and stated that they wanted to form a combination of 8 or 10 small concerns so that they could save overhead expenses and advertising expenses and selling expenses, so that they could go out and hire expert service and keep a barometric measure of the market so as to know whether they should continue in the business or whether, perhaps, to embark in side lines to stabilize their production. I asked why they did not go ahead, and they frequently said they were afraid of the Sherman law. Now, I believe in the Sherman law as the fundamental law; I believe it is as sound to-day as it was when it was enacted. I asked these men, "Have you been over to the Department of Justice?" They said, "Yes." I said, "What did they say to you?" They said, "They say, no. What do you say?" I said, "I can not give you any advice. What do your lawyers say?" They said, "The lawyers say that there is no violation of the law, if

we do not have any more than 2 or 3 per cent of the output, and there is no possible restraint of trade or monopoly in that." Now, I could not tell those men, and no government official could tell those men, that it was an absolutely fair trade proposition, that it was a good thing and that it ought to be done, not only for their own benefit but in the interest of cheaper prices of the commodity to the public. I said to them, "Why do you not follow the advice of your counsel?" They said, "Counsel does not have to go to jail, and counsel does not have children who are possibly confronted with the disgrace of an indictment, and we are not going to take any chances." Now, many of these misbranding situations could be eliminated by agreements among the trade and yet they do not dare to agree among the trade, among themselves, even on a matter of that kind, for fear that it would be a restraint of trade.

The CHAIRMAN. Would the recent decision in the Supreme Court in the steel case encourage them to do it?

Mr. DAVIES. It might.

Mr. JONES. Why should not the law provide that the compliance with the rules and regulations of the Federal Trade Commission, if they were given power to investigate and make reports on this matter, why should not compliance with the rules and regulations of the Federal Trade Commission be an absolute defense against a subsequent criminal prosecution?

Mr. DAVIES. I think it would be a good provision.

Mr. JONES. Should it not be an absolute defense in subsequent prosecutions, criminal prosecutions, that the act was done in compliance with the orders of the Federal Trade Commission, if they had jurisdiction in the matter to investigate and make rules and regulations?

Mr. DAVIES. Yes; that would be fair.

Mr. DEWALT. Mr. Davies, you have stated that the Barkley bill and the Rogers bill were substantially framed on the British marks law. Now, how do they enforce the British marks law?

Mr. DAVIES. It is a plain criminal statute, as I recall it.

Mr. DEWALT. That is, the provisions for the violation thereof are contained in the statute itself?

Mr. DAVIES. Yes; with some provision, as I remember it, giving to the board of trade, under certain circumstances, a measure of discretion in determining whether a proceeding shall be brought.

Now, in conclusion, I venture to suggest that whatever your decision may be in the drafting of this legislation, either along the line of Mr. Barkley's bill or along the line of Mr. Rogers's bill, that some reservation ought to be contained in the act that does not preclude the Federal Trade Commission from continuing the good work that it has already done along this line, and that this legislation should not operate to prevent the functions which they are performing under section 5. My own opinion, as I have stated, is that it would be very helpful to the committee if it could call them into its conference, either with the whole committee or with the subcommittee, and take up this matter of misbranding with the experts of the commission who have had this matter in charge, and possibly one of the commissioners who has had it in charge, because undoubtedly they who are fresh on it have a large amount of valuable information and material which you would like to avail yourselves of, because I am 18 months

old on it and not so fresh as the present membership. If you do not see fit to charge the commission with the enforcement of the law, at least its present functions should not be impaired.

The CHAIRMAN. Mr. Davies, the suggestions which you have made to the committee are very valuable, and I was wondering whether or not you could not put them into concrete form in connection with your testimony when it is sent to you.

Mr. DAVIES. I would be very glad to do that, Mr. Chairman.

The CHAIRMAN. There is one thought that occurred to me, and that is this: The pure-food-and-drug act is administered through the Department of Agriculture. They make their investigations, etc. Do any cases come before the Federal Trade Commission in connection with food and drugs under section 5?

Mr. DAVIES. When I was on the commission we made it a rule not to take up those cases.

The CHAIRMAN. To avoid any conflict of jurisdiction?

Mr. DAVIES. Yes, and where it had been first taken up by the Department of Agriculture we never interfered.

The CHAIRMAN. I understood that was your practice, but I wanted to have it clear.

Mr. BARKLEY. Mr. Davies, just a little further in elaboration. You would not interfere, by whatever jurisdiction the Federal Trade Commission is given, with the technical analyses of products by the Bureau of Standards or the Bureau of Chemistry, or both, because the commission itself is not equipped, as I understand it, to make those technical analyses, and your idea is that some technical branch of the Government would have to make these examinations, no matter what bureau or agency was given the authority to enforce the law?

Mr. DAVIES. That is exactly my idea, Congressman Barkley. As a matter of fact, that is the way it is working out now. In the first silk case that came before us we had the first silk samples analyzed by the Bureau of Standards under the direction of the Secretary of Commerce.

Mr. JONES. You did that as a matter of evidence?

Mr. DAVIES. Yes.

The CHAIRMAN. The Federal Trade Commission act gives you the right to call in other agencies of the Government?

Mr. DAVIES. Yes.

The CHAIRMAN. That is why you can call on the Bureau of Chemistry and the Bureau of Standards?

Mr. DAVIES. Yes, sir; that is correct.

Mr. DEWALT. Mr. Davies, as an ex-member of this Federal Trade Commission and a lawyer, do you think it would be practicable and feasible to so enlarge the provisions of section 5 as to cover these alleged evils of misbranding and thus possibly eliminate the necessity of new legislation as proposed by the Rogers bill and the Barkley bill?

Mr. DAVIES. I think it would be simpler to have a law containing these definitions, conferring the power upon the Federal Trade Commission to enforce it and also providing for a criminal penalty in the event of a violation.

Mr. DEWALT. Your thought, then, is that it would be more practicable to pass either the Rogers bill or the Barkley bill, or a similar bill, than to enlarge the provisions of section 5?

Mr. DAVIES. I think it would be better, because it would overbalance the Federal Trade Commission act if you attempted to enlarge the provisions of section 5. I think it would be better to pass a bill with these definitions, conferring the power on the Federal Trade Commission or some other agency to make specific provisions for violations of the act, and then express in this bill the fair implication that the Federal Trade Commission is expected to compose these matters first by accommodation and to use the criminal side of it only in the event that there is a willful violation of law and a willful intent to be dishonest.

Mr. DEWALT. I understand, Mr. Chairman, that you have asked Mr. Davies to incorporate his ideas in concrete form?

The CHAIRMAN. Yes.

Mr. FRENCH. Mr. Chairman, may I ask just a question or so?

The CHAIRMAN. Yes.

Mr. FRENCH. Mr. Davies, do you know, with regard to prosecutions under the British marks act, whether there have been many prosecutions, and if so, how many?

Mr. DAVIES. I would not be able to state that offhand.

Mr. FRENCH. The reason I ask that question is because my understanding is that the prosecutions are practically negligible.

The CHAIRMAN. I think we will have Mr. McDonald on the stand, and he has made a study of the operation of the British act and also the acts of the various nations of Europe.

Mr. FRENCH. Then may I make this observation. Before I introduced the truth in fabrics bill I tried to check up on it and see whether or not the evils sought to be corrected by it would come under the Federal Trade Commission's authority already existing. I went over the matter with one of the members of the commission who has made something of a study of the question, and while it would be unfair for me to mention names, or perhaps to mention his conclusion, I will say that my own conclusion, from the conversation, was that it would not be possible to meet the situation under existing law by the Federal Trade Commission, in view of the ambiguity of the words "all wool." I mention that, because Mr. Davies, from the brief way in which it was outlined to him, seemed to think that it might be possible. I simply wanted the committee to know that I had tried to sound the matter out without; as a matter of fact, filing information and carrying the matter before the commission and to the courts and thereby determining it. I tried to sound the matter out before introducing this bill to see if there was a method, and at least one member of the commission gave me to understand that in his opinion it was impossible, and that was my judgment.

The CHAIRMAN. Mr. Davies can take a copy of your bill, Mr. French, and make such corrections as he sees fit.

Mr. FRENCH. I will be glad to furnish him with a copy of it.

The CHAIRMAN. Is that all, Mr. Davies?

Mr. DAVIES. Yes, Mr. Chairman; and permit me to thank you and the committee for your courtesy. I am obliged to be away in the trial of cases for the next seven or eight days. Might I have a bit of leeway, say 8 or 10 days in the matter of the return of the copy?

The CHAIRMAN. Yes; we will give you that time. Your testimony will be sent to you as speedily as possible, and you can submit your suggestions when you return your testimony. The committee is

obliged to you for this statement. We will now take a recess until 2 o'clock.

(Thereupon, at 12.15 o'clock p. m., the committee took a recess until 2 o'clock.

(The amendments suggested by Mr. Davies are as follows:)

MEMORANDUM OF SUGGESTED AMENDMENTS TO H. R. 13136 SUBMITTED BY HON. JOSEPH E. DAVIES AT THE REQUEST OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE.

Amend section 2, line 8, by inserting after the word "false" the words "or misleading."

Amend section 3, line 12, by inserting after the word "false" the words "or misleading."

Amend section 4, line 20, by inserting after the word "false" the words "or misleading."

The reason for these amendments is that a large number of trade descriptions which are intended to deceive are not technically false but are clearly misleading and were intended to deceive the purchasing public.

Amend section 5, line 10, by striking out the words "an imitation of and." The use of these words limits the scope of the section to actual imitations. Regardless of whether or not the product is a genuine article or an imitation if it is sold under the name of another article or with the name or brand so nearly like it as to deceive purchasers as to its origin or character the injury to the public and to the competitor is accomplished.

Amend section 5, lines 15 and 16, by striking out the words "with intent to deceive" and inserting in lieu thereof the words "unless a conspicuous notice of such change of contents is attached to such package."

It is often difficult to prove an actual intent to deceive. A person who removes the contents of a package in whole or in part and places other contents therein and offers the product for sale is obviously perpetrating a deception, and he should be prevented from so doing unless he attaches to the package some conspicuous label or other notice which will put the prospective purchaser on warning.

Amend section 6, line 13, by inserting after the word "mode" the words "or place."

This will reach an ordinary form of deception which is prohibited in many countries.

Amend section 6, line 19, by striking out the word "and" after the word "former," and inserting in lieu thereof the word "or."

The phraseology used might limit the scope of the section to cases where both the former and the present market value are misrepresented, whereas, the deception may be equally inexcusable if either the former or the present market value are misrepresented.

Amend section 8, line 21, by inserting after the word "contained" the words "or in which such commodity is designed to be exhibited or offered for sale."

The purpose of the suggested amendment is to cover the use of exhibit cases which are often furnished to the dealer without charge for exhibiting the commodity and on which may appear false or misleading trade descriptions.

Amend section 9 so that it shall read as follows:

"SEC. 9. That for the purposes of this act a person shall be deemed falsely to apply to goods a trade-mark or mark, who applies a mark so nearly resembling a trade-mark as to be calculated to deceive or who applies a trade-mark without the assent of the proprietor of such trade-mark, but in any prosecution for falsely applying a trade-mark to the goods the burden of proving the assent of the proprietor shall lie on the defendant."

The inversion of the language of this section is suggested in order that the section may not be construed as authorizing the proprietor of a trade-mark to assent to the use of a mark so nearly representing his trade-mark as to be calculated to deceive. To permit this would authorize the deception of the public which, as I understand it, is the primary purpose of the proposed act to prevent.

Amend section 10, lines 9 and 10, by striking out the words "Secretary of Commerce, the Secretary of the Treasury, and the Secretary of Agriculture", and inserting in lieu thereof the words "Federal Trade Commission."

This amendment is suggested for the reason that the placing of the power in the hands of one body would clearly fix the responsibility and lead to more efficient administration. The practices which it is desired to eliminate by this measure are unfair trade practices so closely allied to unfair methods of competition that they might more

logically come within the regulatory power of the commission than of the other departments named.

Amend section 11, line 5, by inserting after the word "That" the words "if the Federal Trade Commission or any U. S. District Attorney so requests." This amendment is suggested for the reason that many violations of the law may not necessitate a laboratory examination of the articles and also to clearly give to the United States district attorney who may bring independent proceedings under section 12 the right to secure such examinations.

Amend section 11, line 11, by inserting after the word "examination" the words "requested by the commission or from other facts secured by the commission." This is inserted here to keep differentiated the procedure brought by the commission and that authorized under section 12.

Amend section 11, line 13, by striking out the words "the Secretary of Commerce" and by inserting in lieu thereof the words "the commission."

Amend section 11, line 21, by striking out the words "the Secretary of Commerce" and inserting in lieu thereof the words "the Federal Trade Commission unless such person shall forthwith enter into a stipulation with the commission to forever cease and desist from such violation of the act." The purpose of this amendment is to afford to the party or parties involved an opportunity to accommodate their business to the requirements of the law without criminal procedure. It will enable the Federal Trade Commission to take constructive action affecting the entire industries to the consequent good of the public. In some industries reprehensible practices have been forced upon the entire industry by competitive conditions, and the great majority of the concerns in the industry would welcome the aid of the Government in forcing the elimination of such practices by some such procedure.

Amend section 11, page 9, lines 1, 2, 3, and 4, by striking out the sentence beginning after "the judgment of the court," etc.

Amend section 12, line 6, by striking out the words "the Secretary of Commerce" and inserting in lieu thereof the words "the Federal Trade Commission."

Amend section 15, line 12, by striking out the words "the Secretary of Commerce upon his request," and inserting in lieu thereof the words "the Federal Trade Commission upon its request."

Amend section 15, line 6, by striking out the words "the Secretary of Commerce" and inserting in lieu thereof "the Federal Trade Commission."

AFTERNOON SESSION.

The committee reconvened at 2 o'clock p. m., Hon. John J. Esch (chairman) presiding.

The CHAIRMAN. The committee will come to order. I am just in receipt of the following telegram, addressed to myself:

NEW YORK, N. Y., *March 31, 1920.*

Hon. JOHN J. ESCH,
*Chairman House Committee on Interstate and Foreign Commerce,
House Office Building, Washington, D. C.:*

F. H. Walker's statement Daily News Record March 27th, quoting an advertisement appearing in the Daily News Record, a paper devoted to the manufacturing trade, in connection with statements made regarding merchandise against shoddy, the advertisement referred to was new wool manufactured by the Winchester Woolen Co., and Walker referred to this as unfair competition, meaning that competition which has not stood on its merits as a substitute, but has been so loud by trade names or misleading advertisements that the consumer thinks he is buying the real article, our answer is that new wool referred to by Walker is not reworked wool or shoddy, but is in fact virgin wool, and contains no other materials. This clearly refutes Walker's exaggerated statements. Please make this record with the committee on Interstate and Foreign Commerce, so as to correct the false and misleading impression created by Walker's statement.

THE WINCHESTER WOOLEN CO,
Norwich, Conn.

Mr. ALEXANDER WALKER. I do not quite understand that statement. Mr. Walker of Ohio referred to that as reworked wool. He did not refer to it as new wool or virgin wool, as I recall Mr. Walker's statement. Mr. Walker is not here to refute it.

The CHAIRMAN. This telegram has just arrived, and I have read it into the record.

Mr. ALEXANDER WALKER. The Winchester Co. manufactures reworked shoddy.

The CHAIRMAN. They spell that name "Newwool."

Mr. ALEXANDER WALKER. Yes.

The CHAIRMAN. Are you ready to proceed?

Mr. ALEXANDER WALKER. Yes.

The CHAIRMAN. How long will you take? There are others here who want to catch that historic 4 o'clock train. Please be as brief as possible.

STATEMENT OF MR. ALEXANDER WALKER, PRESIDENT OF THE NATIONAL SHEEP AND WOOL BUREAU OF AMERICA.

Mr. WALKER. Mr. Chairman, I did not have an opportunity of going over Mr. Briggs's statement until last evening, and I found, after going through it, that the statement that I had prepared covered many of the statements made by Mr. Briggs, and in order to conserve your time I am going to request that the original statement that I prepared be printed as a part of the records, and I will confine my time to points not covered by Mr. Briggs.

The CHAIRMAN. Very well.

(The statement submitted by Mr. Walker is here printed in full in the record as follows:)

My name is Alexander Walker, of New York City. I am president of the National Sheep and Wool Bureau, which is an organization made up of representatives of the sheep, wool, and allied industries. Its objects are to foster and encourage the development of those industries and to afford an opportunity to those engaged in them to discuss matters of common interest. I appear to-day as the president of that bureau.

I am also the vice president of a corporation known as Strong, Hewat & Co. (Inc.), New York City, engaged in the business of woollen fabric manufacture. The company has been in existence for 22 years. It manufactures exclusively virgin woollen fabrics, and so advertises. The trade-mark of the corporation does not cover the words "virgin wool" and could no more cover those words than it could the term all wool, pure wool, or any similar words. These words are used in the trade to distinguish shoddy or reworked wool from wool that has never before been woven or spun. There are several other firms that use the same term. There is no monopoly on the use of the words "virgin wool." It is open to general use by those engaged in the business and by the public who desire a precise term that can not be misunderstood. The corporation, Strong, Hewat & Co. (Inc.), has no special interest in this legislation and any attempt to make it appear that that company has a special interest in the legislation is not only wholly unjustified by any fact, but is a deliberate attempt to cloud the real issues that are involved in the truth in fabric bill.

Under section 8994 of the United States Statutes: No words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods can be registered as a trade-mark.

This must satisfy the members of this committee that on this matter I am not actuated by the expectation that the company of which I am vice president will obtain any special benefit by the legislation. All I expect is that my company will share with all honest fabric manufacturers in the benefits to be derived from the legislation. If this legislation is enacted then all manufacturers who manufacture all virgin wool fabrics, not only can, but will be required to brand their product virgin wool 100 per cent.

I do not propose voluntarily to be drawn into a discussion of questions that do not involve the merits of the bill, being considered by this committee. It will be my aim and my purpose to discuss the French bill upon its merits and to answer, as far as I am able, the objections that have been urged to its passage.

In making this statement, I am speaking as the president of the National Sheep and Wool Bureau, and representing that organization.

There has been filed with your committee a brief prepared by the National Association of Wool Manufacturers, containing the arguments presented by that association in opposition to the truth in fabric bill, and I desire to consider seriatim each one of the objections therein raised to its passage.

The first objection is:

1. *The proposed bill sets up false standards for judging qualities of fabrics.*—The proposed truth-in-fabric bill in no sense attempts to set up standards for judging or certifying the quality of fabrics. The purpose of the truth-in-fabric act is solely to protect the purchaser in his right to choose between virgin wool and substitutes for virgin wool.

It is with fabrics precisely the same as with other commodities. The first thing that a purchaser wants to know is whether an article is new or secondhand; whether it is the genuine or substitute. The secondhand clothing business, the secondhand automobile business, or any other secondhand business is perfectly legitimate so long as the article is sold as secondhand.

Most genuine articles have a substitute and that part of industry which has to do with substitutes is also perfectly legitimate, so long as the substitutes are sold as such and not as the genuine.

A secondhand suit of clothes might be better than many new suits. But this does not justify the selling of the secondhand suit as new. A secondhand automobile is in many cases better than some other new car, but this fact does not warrant the sale of that secondhand automobile as a new machine. The same is true of every other commodity.

Shoddy or reworked wool is both secondhand wool and a substitute for virgin wool. In the case of the sale of most secondhand articles, the purchaser is able, without any distinguishing marks thereon, to know that it is secondhand. He needs, therefore, no protection by way of branding to advise him of that fact. A personal inspection of the article itself is sufficient. In the case of the sale of woven fabrics, however, there is no way by which the purchaser can by a personal inspection of the article determine whether it is virgin wool or shoddy, which is both secondhand and a substitute for the virgin wool. He, therefore, needs the protection afforded him by the terms of the French truth-in-fabric bill to give him that information to which he is entitled in making his choice. The ordinary purchaser can readily distinguish by an examination of the fabric the difference between the coarse virgin-wool fiber and the fine virgin-wool fiber, as is demonstrated by the fact that there is no demand, as testified to by the witnesses who appeared in opposition to this bill, for lower-grade fabrics. The public to-day understands the term "all wool" to mean virgin wool. As stated, our opponents admit that to-day the people are reluctant to purchase the cheaper grades of all-wool fabrics. This statement conclusively proves that the public can distinguish by the appearance between the cheaper and higher grade fabrics. Therefore, no standard for judging fabrics is needed, and the French bill does not attempt to set up one.

The opponents of the truth-in-fabric bill make the claim that in the case of textiles the situation is very different from the situation in connection with the branding of food, and they seek to establish their point by urging the contention that this misbranded food is worth nothing, is wholly reprehensible and must be taken out of the reach of the public, but that a fabric has value almost regardless of what it is made of and is, therefore, not a public menace. I will put this theory to the test by reciting an important article of food, oleomargarine. High-class oleomargarine, regardless of whether it is branded or even misbranded, may be very nourishing and valuable as an article of food that is not in any sense a menace to the people's health.

With oleomargarine, as with shoddy, the menace is that when oleomargarine is unbranded or misbranded the purchaser may be forced to purchase oleomargarine against his will and may be forced to pay the price of not only butter but the highest class butter for oleomargarine.

Even the best oleomargarine, even oleomargarine that contains 40 to 50 per cent of cream, can be profitably sold at 20 cents per pound less than can good butter.

But by flavoring and coloring this high-class oleomargarine in imitation of high-class butter a tremendous temptation is provided to sellers to make an exorbitant profit by permitting the purchaser to believe he is purchasing high-class butter and procuring from the purchaser the price of high-class butter for oleomargarine.

Making it compulsory to stamp oleomargarine as such has protected those who want and can afford to pay for the best butter against those who would force them to buy oleomargarine and pay the price of the best butter for it.

Making it compulsory to stamp oleomargarine as such has also brought high-class oleomargarine within the reach of the poorer people and has enabled them to secure at a moderate price a nourishing article of food.

Making it compulsory to identify oleomargarine has resulted in the quality of oleomargarine being greatly improved, and has enabled the poorer people to secure the best oleomargarine at a price 15 cents to 20 cents less than the price of good butter.

The case of shoddy parallels that of oleomargarine, and precisely the same advantages would result from making it compulsory to identify shoddy as have resulted from the identification of oleomargarine.

Answering the opponents' argument that the branding of the ingredients of woven fabrics would place a premium on fabrics of virgin wool, no matter how inferior they might be, and put an unfair stigma on fabrics containing any appreciable quantity of other materials, no matter how desirable those fabrics might be, I will state that the provisions of the truth-in-fabrics bill are the quickest and surest means of disarming any unwarranted prejudice that may exist against shoddy or cotton, because the truth-in-fabrics bill will give shoddy and cotton full credit for all merit possessed. If shoddy possesses anything like the merit claimed for it by those who extol its use, no prejudice, however great, against the word "shoddy" could survive were the truth-in-fabrics bill in effect. The provisions of this bill would also deprive virgin wool of any undeserved confidence it may now enjoy. The result would be that were the French bill in effect, shoddy, cotton, and virgin wool would each have to stand on its own merits.

The second objection stated in the brief referred to is as follows:

2. *The proponents of this marking system ignore certain facts of great importance.*—The plea is made that the world's production of wool is 2,800,000,000 pounds of wool each year, and if all of this wool was made into clothing it would fall far short of providing for the normal requirements of wool fabrics for clothing the 800,000 inhabitants of the Temperate Zone. The proponents of the truth-in-fabrics bill concede all of these statements and contend that these facts demonstrate conclusively that there must be a very large percentage of shoddy used in the clothing that is sold to the public. The opponents of the measure, in appendix 3, page 23, of their brief, state that in the woolen industry in 1914 the amount of scoured equivalent of wool purchased for the wool industry in that year totaled 58,700,000 pounds, and they further state in that same appendix that the amount of reworked materials used in woolen goods in that same year totaled 85,000,000 pounds.

These figures are at direct variance with the evidence that the opponents submitted to you that of the total production of woolsens and worsteds in the United States, 60 per cent were worsteds, and of the remaining 40 per cent one-half were goods manufactured exclusively of virgin wool.

It is established that the world's production of wool is not sufficient to meet the requirements of the people. The figures given by the opponents show that fact and we have demonstrated that shoddy is used to a greater extent than the opponents of the bill admit. There is, therefore, a well-recognized place for shoddy. It is an essential product to meet the requirements of the people under existing conditions, and while the truth in fabric bill may to some extent encourage and develop the sheep industry, it does not in any way restrict the use or limit the use of shoddy for legitimate purposes when sold as shoddy. There will continue to be a demand for shoddy if the truth in fabric bill is enacted into law. The only difference will be that the purchaser will know whether he is buying the shoddy or the virgin wool.

Neither is there anything in the provisions of the truth in fabric bill that places any stigma upon any product or lessens in any way the production of any product, as sufficient wool is not produced to meet the requirements of the people, shoddy will have to be sold, and when sold it will have to be sold simply for what it is.

The third objection urged in the brief referred to is:

3. *The proposed bill will add to the difficulties and the cost of manufacturing woolen fabrics.*—I think the testimony presented by Mr. Brown and Mr. Marston sufficiently and completely answers this contention. That testimony, it seems to me, has clearly demonstrated that there will be no difficulty in supplying the machines within such reasonable time as the committee may fix in the bill for the taking effect of the bill as a law, and that the increased cost of manufacturing will not be more than nominal.

The fourth objection urged by the opponents of the bill is:

4. *The proposed bill can not give to the public any protection against fraud, not normally afforded by the operation of competition.*—A law preventing misbranding is preferable to the law proposed.—The opponents of the truth in fabric bill urge that a law similar to the British marks-merchandising act, or similar to the bill that is known as the Barkley bill, that is now before Congress, both of which have for their aim the prevention of misbranding, is the kind of a law which should be passed. It seems clear that what the opponents of the truth in fabric bill want is merely a misbranding bill, not a bill that makes it compulsory to make known the presence of substitutes. Many States have already passed bills calculated to make it possible to detect and punish those who misbrand their goods.

The British merchandise-marks act, the Barkley bill, are both national measures having this same purpose, and are highly commendable and desirable, but neither of these bills could protect the people against those who colored and flavored the best oleomargarine to look like the best and highest class butter, and who, without putting any brand on the oleomargarine, or without making any misstatements concerning it, but simply by permitting the purchaser to believe he was purchasing high-class butter, were able to procure for the oleomargarine the price of the best butter.

In order to protect the people against oleomargarine profiteering, it was necessary first to have a law making it compulsory for the manufacturer to stamp all oleomargarine as such.

It was only after such a law had been passed that these other laws, such as the British merchandise marks act or the Barkley bill could perform their function of detecting and punishing those who misbranded.

Precisely the same thing is true in connection with the use of shoddy in cloth and clothes.

Fabrics with but few exceptions are not branded at all. Therefore the British merchandise marks act or the Barkley bill, or any similar act, can not perform its essential function until fabrics are branded.

First of all, there must be a truth in fabric act which makes it compulsory for fabric manufacturers, in precise terms that can not be misunderstood, to brand fabrics.

When this is done these misbranding acts will compel truthful labeling and the people will be protected, as they are protected in the case of oleomargarine, by the pure-food law, which compels oleomargarine to be stamped; by these misbranding acts which prevent false labeling.

It is very significant that the very people who are urging the passage of a misbranding bill as the only legislation to be enacted upon this subject, also contend that it is impossible and impracticable to brand woven fabrics. In one breath they contend that branding fabrics would, as stated in their third objection to the passage of the truth in fabric bill, add to the difficulties of the cost of manufacturing and distributing woolen fabrics; and in the next breath urge the passage of a misbranding bill which leaves it optional with the manufacturer whether he will brand or not. Necessarily this means that there would be no branding.

Even if a misbranding bill were passed and the manufacturer of woolen fabrics were to brand the fabrics, it would be entirely possible to brand an all-wool shoddy fabric as "all wool" without violating any provisions of the misbranding bill. The result, therefore, would be that instead of protecting the public, it would open the door to a continuance of the practice whereby the public is now deceived into believing that "all wool" means "virgin wool." It would, in effect, legalize and perpetuate the wrong that is now being practiced upon the people, and instead of correcting the evil that the people are clamoring to have corrected, it would simply magnify and legalize the deception.

The opponents of the truth in fabric bill insist that the branding of the contents of the fabric would not give to the purchaser any information of value to him, but on the contrary, would be misleading, and they contend that an act similar to the British merchandise marks act would give to the purchaser the information necessary for his protection. How utterly fallacious this argument is can readily be demonstrated, and I invite your particular attention to the following points:

Any bill framed in the lines of the British merchandise marks act would wholly fail to give the purchaser any information as to the quality of the goods.

(a) The dishonest manufacturer who desired to keep from the purchaser knowledge of the quality of the goods would not mark them at all, and thus would not violate the law.

(b) The most scrupulously honest wool shoddy manufacturer would naturally mark his goods "all wool," and would thereby fully comply with the provisions of the law.

Now, I ask in all fairness, what information that would convey to the purchaser regarding the quality or durability of the fabric?

It is admitted by every one that there are various grades of all wool, which may either be all virgin wool or all wool shoddy.

The marking of the goods "all wool" would not in any way indicate to the purchaser whether he was obtaining all wool, whether virgin or shoddy, of a fine character. It might be either all virgin or all shoddy wool of the finest fiber and greatest durability, or it might be all virgin wool or all shoddy wool of the coarsest fiber and cheapest character, or of any degree of fineness between the two extremes, and yet all of these goods would be covered by the simple designation "all wool."

How can it seriously be urged by any one that such marking would give to the purchaser any information as to the character or durability of the fabric? Of what

value would such marking to the purchaser be? Is it not perfectly plain that instead of giving to the purchaser information to protect him, it would open wide the door to a full exploitation of the purchaser by a dishonest fabric manufacturer?

I am not saying that any of the gentlemen who have appeared here would resort to such practices, but I do say most emphatically that there is nothing these gentlemen could do that would so injure the business of honest fabric manufacturing as the advocacy by fabric manufacturers and the passage of an act that would make possible such fraud and deception upon the public.

I most earnestly ask you, gentlemen, before you think of reporting a misbranding bill, without accompanying it with a bill that requires the branding of woolen fabrics as to their contents, seriously and carefully to consider the possibilities that such legislation may result in untold damage and injury to the general purchasing public, as well as to the wool growers and honest fabric manufacturers.

The bill I am advocating does not purport to give information as to the quality of the fabric, but does require the giving of truthful information to the public of the contents of the fabric so that the public may then, from its own investigation of the article and from its own experience make its choice of the material it desires, and of its quality. Who will say that such information is not infinitely of more value to a purchaser, and less likely to deceive him than a blind designation of a fabric as "all wool" that may include anything from the rottenest all wool shoddy to the highest and finest grade of all virgin wool?

It is plainly inconsistent for the opponents of the truth in fabric law to contend:

1. That fabrics can not be branded or stamped without imposing prohibitive costs on the manufacturer and at the same time to contend that a misbranding bill is all-sufficient.

2. That legislation that would permit the vilest kind of all-wool shoddy to be branded the same as the finest all virgin wool would fully protect the purchaser and give him all the information he requires while at the same time, to contend that the truthful labeling of the contents of the fabric, would give the purchaser no information of value to him.

These are considerations that can not be overlooked and no amount of specious arguments, or of attacks upon the proponents of this measure will conceal or hide from the committee or from the public the real issues that are involved in the consideration of the measure now before this committee. I have every faith to believe that this committee will fully and fairly consider these matters, and with the knowledge of the needs of the public and of the legislation that is required for their protection will see to it that in enacting legislation the rights and interests of the woolgrowers, the fabric manufacturers, and the great purchasing public will be adequately safeguarded.

It is for this and nothing else that I am contending.

I have reviewed consecutively each objection raised by the opponents of the measure. It has been shown, I think, beyond contradiction that the truth-in-fabric bill does not give to any of the ingredients used in woven fabrics any premium or advantage. It simply gives to the public the right of choice between the genuine and the substitute. It places no stigma upon any substitute, but only provides that the substitute shall be sold for what it is instead of for the genuine, and shall have credit for any merit it may possess.

It has been shown beyond question that the British marks-merchandising act, or the Barkley bill, while they are necessary in order to prevent misbranding, do not meet the situation in the woolen trade, which requires special treatment because of the fact that unless the goods are branded there is no protection to the public against purchasing a substitute for the genuine.

Having reviewed the objections made to the passage of the bill in the brief filed by the National Association of Wool Manufacturers, I now desire to consider some of the other objections urged to the bill. Mr. Clark made the statement that: "There is only one woolen manufacturing concern that I know of that is advertising its fabrics as made with 100 per cent virgin wool." In this connection, gentlemen, I would state that during the past selling season there was not only to my own knowledge one other concern advertising virgin wool fabrics, but there were many concerns in the market offering their virgin wool fabric, to the trade as virgin wool fabrics—in fact, some of our competitors in the trade not only used the term "virgin wool" in effecting sale of their fabrics, but they had printed on the tickets of the samples they submitted to their customers the term "virgin wool." I offer you in evidence the advertisement that appeared in one of our American papers, *Men's Wear*. This advertisement of one of the most representative English concerns distinctly calls the attention of the trade to their "virgin wool fabrics." Further, to my personal knowledge, the salesmen of the largest woolen manufacturing concern in the United States, the American Woolen Co., in the selling season just passed, were advising their trade which fabrics

offered for sale were made of virgin wool, designating them by that name. It may be interesting to the committee to know that before the corporation with which I am connected ever advertised virgin wool, before they had a trade-mark, or ever advertised the manufacture of virgin wool fabrics, the term "virgin wool" was used by our friends, the reworked wool shoddy manufacturers.

I have in my hand a booklet entitled, "Re-Worked Wool, or Wool Shoddy," being a statement relating to the conservation of wool by-products, published by the National Association of Wool Fiber Manufacturers, 10 High Street, Boston, Mass., and distributed at a convention in May, 1918, at the Grand Central Palace, New York City. I quote from page 4 of the pamphlet the following: "This reclaimed wool, which is known as re-worked wool, or wool shoddy, is then employed with the addition of virgin wool in suitable amounts for the manufacture of cloths and other wool goods."

I have thus far been considering the objections that have been raised to the passage of the bill, and confining myself to the arguments made by fabric manufacturers. In addition to the other arguments in favor of the bill, I desire as president of the National Sheep and Wool Bureau to emphasize the importance of the development of the sheep industry. It must be evident to the committee from the statistics that have been produced at these hearings that the sheep industry has been steadily decreasing in the United States, while the demand for virgin wool has been constantly increasing. It must be evident, also, that if we are to meet that demand something will have to be done to encourage the development of the sheep industry. The unrevealed presence of shoddy in woolen fabrics discriminates against and displaces virgin wool. If the truth in fabric bill were enacted into law, it would stabilize the sheep industry, inasmuch as virgin wool would not under those circumstances be in unfair competition with a substitute for virgin wool. The sheepmen are perfectly willing to rest their case on the merits of virgin wool, and the decision of the people, but they do not feel that they have any protection whatsoever so long as their industry has to compete with a substitute—a substitute that the people believe is the genuine. No better illustration of this argument could have been presented to the committee than the testimony offered by Dr. Alsberg in reference to the use of Manchurian beans sold as red kidney beans.

Dr. Alsberg testified that the Manchurian bean and the red kidney bean were not only both beans, but had the same food values, and that the Manchurian bean was a very excellent article of food, but could be profitably sold at a much lower price than the red kidney bean. However, because of the fact that the public could not detect the difference between the Manchurian bean and the red kidney bean, the opportunity was afforded to the seller of Manchurian beans to obtain for them the price of the kidney bean, and thereby, as Dr. Alsberg testified, the inevitable result would be that unless the beans were identified the producer of the red kidney bean would be absolutely driven out of the business. The same condition obtains in the case of shoddy and virgin wool. It is equally impossible for the purchaser to discriminate between shoddy and virgin wool as it is for the purchaser to discriminate between the Manchurian bean and the red kidney bean. The case is parallel, also, on the proposition that because of this impossibility on the part of the purchaser to make the discrimination the opportunity is also afforded to the manufacturer of shoddy to obtain for the shoddy the price of virgin wool, and will inevitably result, as in the case of the producers of red kidney beans, in driving the woolgrower out of business, unless a law is enacted making necessary the branding of the two articles so that the purchaser will be protected in his right to choose the article he prefers and will be further protected against those who now have the opportunity and the temptation to charge for the substitute the price of the genuine.

And now, gentlemen, drawing to a conclusion, I would like to read into the record the various resolutions passed by different associations who have considered this subject, and which associations are representatives of several million people throughout the United States. Mr. French will present the resolutions to be printed in the record, so at this time I will simply read the names and the locations of the associations that have adopted the resolutions.

I would also like the privilege of calling your attention to a number of editorials printed in newspapers in different sections of the country evidencing a wide-spread public demand for the enactment of the legislation that I am advocating. They include such representative publications as the Chicago Daily Tribune, the Christian Science Monitor, the Rotarian, the New York Evening World, the New York Evening Journal, the Pennsylvania Farmer, the Albany Knickerbocker Press, Successful Farming—the Hon. E. T. Meredith's paper, our Secretary of Agriculture—the Cloverland Magazine, the Despatch, of Moline, Ill., the Daily Leader, of Staunton, Va., the Telegraph, of Portland, Oreg., the New York Evening Post, and, in fact, practically all the leading newspapers throughout the United States.

I have prepared, and ask to have printed as part of the record, the editorial comments from the papers mentioned.

Finally, I would very much appreciate it, gentlemen, if you would publish as part of the hearings an analysis, prepared by the association of which I am president, of a few of the objections to the truth in fabric act, and the answers to those objections, and I call particular attention to the statements therein, whereby it is shown that the term virgin wool has come to be used extensively in the trade, as well as the press, to designate unused wool, or wool that has never theretofore been spun or woven.

Mr. WALKER. My statement here will be a short statement, covering some of the points not covered by Mr. Briggs.

I am president of the National Sheep and Wool Bureau, which is an organization made up of representatives of the sheep, wool, and allied industries. Its objects are to foster and encourage the development of those industries and to afford an opportunity to those engaged in them to discuss matters of common interest. I appear to-day as the president of that bureau.

I am also the vice president of a corporation known as Strong, Hewat & Co. (Inc.), New York City, engaged in the business of woolen-fabric manufacture. The company has been in existence for 22 years. It manufactures exclusively virgin woolen fabrics, and so advertises. The trade-mark of the corporation does not cover the words "virgin wool" and could no more cover those words than it could the term "all wool," "pure wool," or any similar words. These words are used in the trade to distinguish shoddy or reworked wool from wool that has never before been woven or spun. There are several other firms that use the same term. There is no monopoly on the use of the words "virgin wool." They are open to general use by those engaged in the business and by the public who desire a precise term that can not be misunderstood. The corporation, Strong, Hewat & Co. (Inc.), has no special interest in this legislation and any attempt to make it appear that that company has a special interest in the legislation is not only wholly unjustified by any fact, but is a deliberate attempt to cloud the real issues that are involved in the truth in fabric bill.

Under section 8994 of the United States Statutes no words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods can be registered as a trade-mark.

This must satisfy the members of this committee that on this matter I am not actuated by the expectation that the company of which I am vice president will obtain any special benefit by the legislation. All I expect is that my company will share with all honest fabric manufacturers in the benefits to be derived from the legislation. If this legislation is enacted, then all manufacturers who manufacture all virgin wool fabrics, not only can, but will be required to brand their product virgin wool, 100 per cent.

Mr. Clark made the statement that there was only one woolen manufacturing concern that he knew of that was advertising its fabrics as made of 100 per cent virgin wool.

In this connection, gentlemen, I would state that during the past selling season there was not only to my knowledge one other concern advertising virgin wool fabrics but there were many concerns in the market offering their virgin wool fabrics to the trade as virgin wool fabrics, in fact, some of our competitors in the trade not only used

the term "virgin wool" in effecting sale of their fabrics, but they had printed on the tickets of the samples they submitted to their customers the term "virgin wool."

I offer in evidence an advertisement that appeared in one of our American papers, *Men's Wear*. This advertisement of one of the most representative English concerns distinctly calls the attention of the trade to the term "virgin wool."

Further, to my personal knowledge, the salesman of the largest woolen manufacturing corporation in the United States—the American Woolen Co.—in the selling season just passed were advising their trade as to which fabrics offered for sale were made of virgin wool, designating them by that name.

Further, I offer in evidence advertisements that have appeared in various newspapers, drawing attention to virgin wool fabrics, and among these same advertisements you will note that one is of a woolen manufacturer—the Kent Manufacturing Co.

It may be interesting to the committee to know that before the corporation with which I am connected ever advertised virgin wool fabrics, before they had a trade-mark, the term "virgin wool" was used by our friends, the reworked-wool-shoddy manufacturers. That will interest you. Everyone wondered where the name came from. I have in my hand a booklet entitled "Reworked Wool or Wool Shoddy," it being a statement to the conservation of woolen by-products, published by the National Association of Wool Fiber Manufacturers, of Boston, and distributed at a convention in May, 1918, at the Grand Central Palace, New York City.

I quote from page 4 of the pamphlet the following:

This reclaimed wool, which is known as reworked wool or wool shoddy, is then employed with the addition of virgin wool in suitable amounts for the manufacture of clothes and other wool goods.

Gentlemen, as I stated, I am only going to take up the points that I do not think have been fully covered by other witnesses.

Speaking of a misbranding bill, it is very significant that the very people who are urging the passage of a misbranding bill as the only legislation to be enacted upon this subject, also contend that it is impossible and impracticable to brand woven fabrics. In one breath they contend that branding fabrics would, as stated in their third objection to the passage of the truth-in-fabric bill, add to the difficulties of the cost of manufacturing and distributing woolen fabrics; and in the next breath urge the passage of a misbranding bill, which leaves it optional with the manufacturer whether he will brand or not. Necessarily, this means that there would be no branding.

The opponents of the bill insist that the branding of the contents of the fabric would not give to the purchaser any information of value to him, but, on the contrary, would be misleading, and they contend that an act similar to the British merchandise-marks act would give to the purchaser the information necessary for his protection. How utterly fallacious this argument is can readily be demonstrated, and I invite your particular attention to the following points:

Any bill framed on the lines of the British merchandise-marks act would wholly fail to give the purchaser any information as to the quality of the goods.

(a) The dishonest manufacturer who desired to keep from the purchaser knowledge of the quality of the goods would not mark them at all, and thus would not violate the law.

(b) The most scrupulously honest wool-shoddy manufacturer would naturally mark his goods "all wool," and would thereby fully comply with the provisions of the law.

Now I ask in all fairness, what information that would convey to the purchaser regarding the quality or durability of the fabric?

It is admitted by everyone that there are various grades of wool, which may either be all virgin wool or all-wool shoddy.

The marking of the goods "all wool" would not in any way indicate to the purchaser whether he was obtaining all wool—whether virgin or shoddy—of a fine character. It might be either all-virgin or all-shoddy wool of the finest fiber and greatest durability, or it might be all-virgin wool or all-shoddy wool of the coarsest fiber and cheapest character, or of any degree of fineness between the two extremes, and yet all of these goods would be covered by the simple designation "all wool."

How can it seriously be urged by anyone that such marking would give to the purchaser any information as to the character or durability of the fabric? Of what value would such marking to the purchaser be? Is it not perfectly plain that instead of giving to the purchaser information to protect him, it would open wide the door to a full exploitation of the purchaser by a dishonest fabric manufacturer?

I am not saying that any of the gentlemen who have appeared here would resort to such practices, but I do say most emphatically that there is nothing these gentlemen could do that would so injure the business of honest fabric manufacturers as the advocacy by fabric manufacturers, and the passage of an act that would make possible such fraud and deception upon the public.

I most earnestly ask you, gentlemen, before you think of reporting a misbranding bill, without accompanying it with a bill that requires the branding of woollen fabrics as to their contents, seriously and carefully to consider the possibilities that such legislation may result in untold damage and injury to the general purchasing public as well as to the woolgrowers and honest fabric manufacturers.

The bill I am advocating does not purport to give information as to the quality of the fabric, but does require the giving of truthful information to the public of the contents of the fabric, so that the public may then, from its own investigation of the article and from its own experience, make its choice of the material it desires, and of its quality. Who will say that such information is not infinitely of more value to a purchaser and less likely to deceive him than a blind designation of a fabric as "all wool" that may include anything from the rottenest all-wool shoddy to the highest and finest grade of all-virgin wool?

It is plainly inconsistent for the opponents of the bill to contend:

1. That fabrics can not be branded or stamped without imposing prohibitive costs on the manufacturer and at the same time to contend that a misbranding bill is all sufficient.

2. That legislation that would permit the vilest kind of all-wool shoddy to be branded the same as the finest all-virgin wool would fully protect the purchaser and give him all the information he requires, while at the same time to contend that the truthful labeling of the contents of the fabric would give the purchaser no information of value to him.

These are considerations that can not be overlooked, and no amount of specious arguments or of attacks upon the proponents of this measure will conceal or hide from the committee or from the

public the real issues that are involved in the consideration of the measures now before this committee. I have every faith to believe that this committee will fully and fairly consider these matters, and with the knowledge of the needs of the public and of the legislation that is required for their protection, will see to it that in enacting legislation the rights and interests of the woolgrowers, the fabric manufacturers, and the great purchasing public will be adequately safeguarded.

It is for this, and nothing else, that I am contending.

In addition to the other arguments in favor of the bill, I desire as president of the National Sheep and Wool Bureau to emphasize the importance of the development of the sheep industry. It must be evident to the committee from the statistics that have been produced at these hearings that the sheep industry has been steadily decreasing in the United States, while the demand for virgin wool has constantly been increasing. It must be evident, also, that if we are to meet that demand something will have to be done to encourage the development of the sheep industry. The unrevealed presence of shoddy in woollen fabrics discriminates against and displaces virgin wool.

If the truth in fabric bill were enacted into law it would stabilize the sheep industry, inasmuch as virgin wool would not under those circumstances be in unfair competition with a substitute for virgin wool.

The sheep men are perfectly willing to rest their case on the merits of virgin wool and the decision of the people, but they do not feel that they have any protection whatsoever as long as their industry has to compete with a substitute—a substitute that the people believe is the genuine. No better illustration of this argument could have been presented to the committee than the testimony offered by Dr. Alsberg in reference to the use of Manchurian beans sold as red kidney beans. Dr. Alsberg testified that the Manchurian bean and the red kidney bean were not only both beans but had the same food values, and that the Manchurian bean was a very excellent article of food but could be profitably sold at a much lower price than the red kidney bean. However, because of the fact that the public could not detect the difference between the Manchurian bean and the red kidney bean, the opportunity was afforded to the seller of the Manchurian bean to obtain for them the price of the kidney bean, and thereby, as Dr. Alsberg testified, the inevitable result would be that unless the beans were identified the producer of the red kidney bean would be absolutely driven out of the business. The same condition obtains in the case of shoddy and virgin wool. It is equally impossible for the purchaser to discriminate between shoddy and virgin wool as it is for the purchaser to discriminate between the Manchurian bean and the red kidney bean.

The case is parallel also on the proposition that because of this impossibility on the part of the purchaser to make the discrimination, the opportunity is also afforded to the manufacturer of shoddy to obtain for the shoddy the price of virgin wool, and will inevitably result, as in the case of the producers of red kidney beans, in driving the wool grower out of business, unless a law is enacted making necessary the branding of the two articles so that the purchaser will

be protected in his right to choose the article he prefers and will be further protected against those who now have the opportunity and the temptation to charge for the substitute the price of the genuine.

And now, gentlemen, drawing to a conclusion, I would like to bring to your attention the names of the organization and groups that have either passed definite resolutions, or have taken definite action through officials recommending the enactment of truth in fabric legislation.

They are as follows [reading]:

Washington and Rensselaer Counties, N. Y., Wool Growers' Association; Upper Michigan Development Bureau (representing entire northern peninsula of Michigan); American Farm Bureau Federation, Chicago; Fleece Wool States Growers' Association, Chicago; the National Union of the American Society of Equity, Madison, Wis.; the Tri-State Sheep and Wool Growers' Association, Wheeling, W. Va.; the National Wool Growers' Association, Salt Lake City, Utah; the New Jersey Retail Clothiers' Association; the Washington State Wool Growers' Association, Walla Walla, Wash.; the Wyoming Wool Growers' Association, Cheyenne, Wyo.; the American National Livestock Association, Spokane, Wash.; the Utah Wool Growers' Association, Salt Lake City, Utah; the Missouri Retail Clothiers' Association; Champaign County Farm Bureau, Illinois; Iowa Fleece Growers' Association, Marshalltown, Iowa; American Cheviot Sheep Society, Cooperstown, N. Y.; Onondaga, N. Y., Sheep Growers' Association, Syracuse, N. Y.; American Hampshire Sheep Association; the agricultural commission, Michigan State Bankers' Association; the Chicago Livestock Exchange; New York State Federation of County Sheep Growers' Cooperative Associations (Inc.), Cooperstown, N. Y.; Big Horn Basin Wool Growers' Association, Basin, Wyo.; Republican State convention of Minnesota; National Consumers' League; National Grange; National Farmers' Council; New Mexico Wool Growers' Association, Albuquerque, N. Mex.; West Virginia Federation of Farm Bureaus, Philippi, W. Va.; National Board of Farm Organizations; National Housewives' League; Cotton States Marketing Board; Consumers' League.

I have not read these various resolutions, as Mr. French, I believe, will present them to you later.

I would also like to have the privilege of calling to your attention the numerous editorials printed in various parts of the country, evidencing a widespread public demand for the enactment of the legislation that I am advocating. All of these are editorials, gentlemen. They include such representative publications as the Chicago Daily Tribune, the Christian Science Monitor, the Rotarian, the New York Evening World, the New York Evening Journal, the Pennsylvania Farmer, the Albany Knickerbocker Press, Successful Farming (the Hon. E. T. Meredith's paper, our Secretary of Agriculture), the Cloverland Magazine, the Despatch, of Moline, Ill., the Daily Leader, of Staunton, Va., the Telegraph, of Portland, Oreg., the New York Evening Post, and, in fact, practically all the leading newspapers throughout the United States.

I have prepared, and ask to have printed as part of the record, the editorial comments from the papers mentioned.

(The extracts referred to are here printed in the record as follows:)

IMPORTANT QUOTATIONS FROM THE PRESS.

[Editorial from Chicago Daily Tribune, Saturday, Feb. 21, 1920.]

CLOTHES, WOOL AND SHODDY.

An appeal of the National Sheep and Wool Bureau of America ought to receive an interested hearing. It is for stamped and branded fabrics. If a garment is made of fresh "virgin wool" it should be known. If it is of "shoddy" that, too, should be known.

There has been a lack of sincerity thrust into the time honored phrase "all wool." "All wool" once meant clean, new carded and spun wool. It has come to mean any kind of cloth made of any kind of wool. By "any kind of wool" is meant madeover rags. Worn out and castoff clothing is run through the mill and made into cloth again. Garment buyers are paying top prices for shoddy.

Clothing manufacturers are at the mercy of the insincere fabric makers. They have no means of knowing that the cloth they buy in good faith as all wool is only all shoddy or at least 80 per cent shoddy. The purchaser of a suit can not know that he is wearing cloth that has been worn many times before.

The wool raisers ask the right to use a label or hallmark that shall distinguish virgin wool from the shoddy. They ask that the marking be of such a character that the virgin wool may be known in every stage of the manufacturing process. Thus the manufacturer may know what he is buying and offering the retailer, the retailer may be able to guarantee his wares, and the consumer can be assured of the character of his purchase.

There is no assault upon the manufacturers of shoddy. Purchasers who want shoddy may have it. If virgin wool is branded the shoddy can be known because it is unstamped. Shoddy nowadays is fetching all wool prices. It should fetch shoddy prices.

We have pure-food regulations. Why not pure fabrics laws?

[Editorial from the Christian Science Monitor, Boston, Mass., Feb. 25, 1920.]

"TRUTH IN FABRIC."

Now that food laws, both Federal and State, in the United States require the marking of exact weights and ingredients on many kinds of products, such a bill as that introduced by Senator Capper, of Kansas, for the proper marking of fabrics, deserves careful consideration. No product of any sort should pretend to be what it is not. Hence, even though it is legitimate to use shoddy in some kinds of goods, such fabrics should be marked and not allowed to pass as "all wool," if by that phrase the public generally understands virgin wool, or that which has not been used before, instead of what has been reclaimed.

This bill will naturally receive the support of the woolgrowers and of those manufacturers who are accustomed to using only the virgin wool. It should be intelligently understood and welcomed also by those who wish to make use of shoddy, or even cotton, in their products.

Sir Ernest Shackleton records in his new book, "South," that when some suit cases marked "solid leather" came to be cut up in the Antarctic regions to be fashioned into boots, it was found that they contained a large percentage of cardboard. All such dishonesty of marking and of advertising, whether in connection with leather goods, woolen goods, or anything else should not be condoned for an instant by any manufacturers or dealers. Whatever anything is designated as being, that it should actually be. The foreseen difficulties in the way of the proper marking of food products have met with a considerable degree of success. There is no reason why apparent difficulties in the way of this further reform should loom so large as to prevent the passing of an intelligently framed bill. There is sure to be no loss, but a gain to all concerned, through complete and open honesty, for the public appreciates, and can be further educated to appreciate knowing just what it is getting.

[Editorial from the Rotarian, Chicago, February, 1920.]

"WHY WOOLEN CLOTHING IS HIGH."

If every ounce of wool in the world were made into 16-ounce cloth (comparatively light weight) there would be but $3\frac{1}{2}$ yards for each inhabitant of the United States and Europe; not enough to make a suit of clothes; nor would there be any left over for the people of Canada and the rest of the world. There would be no wool left for blankets, overcoats, carpets, automobile robes, felts for boots, and a hundred other articles in which wool is used. People are said to be paying big prices for wool suits that are not pure virgin wool, but that in many instances contain "shoddy." This is old wool that has been worked over. It is said there are no scientific tests that will reveal the presence of "all wool shoddy" in garments. This is the reason why the National Sheep and Wool Bureau of America advocates the passage of a national "truth in fabric" law, making it impossible for anyone from the first factor of distribution to the retailer to sell "shoddy" clothes for pure virgin wool.

[Quoted from the New York Evening World, Friday, Jan. 23, 1920.]

A PURE FABRIC LAW.

Advocacy of a national pure fabric law comparable to the national pure food law seems to be a worthwhile suggestion.

Is there any reason why fabrics should not be tagged to insure the purchaser against adulterations? Is there any reasonable objection to such a course from reputable dealers or manufacturers who are themselves the victims of less scrupulous competitors?

There will be opposition. Tricksters will have specious objections. Not all of our "all-wool" fabrics come from the back of the sheep. This accounts, in a large measure, for the favor bestowed on English woven suitings. It also accounts for some of the reluctance with which foreign buyers purchase American fabrics. The honest manufacturer suffers for the sins of the dishonest.

This is not to say that only "all wool" goods should be manufactured. There is a place for shoddy, for mixed goods, for artificial silk, and treated cotton fabrics, but the public has as good a right to know what it is getting to put on its back as to put in its stomach. When it is buying adulterated or mixed goods it should not be required to pay for the real article.

A pure fabric law is in line with modern theories of business which frown on the old maxim of "caveat emptor."

A pure fabric law would be a tremendous asset in making the "Made in the U. S. A." mark popular, both at home and abroad.

[Quoted from the San Antonio Express-News Retailer, issue of January, 1920.]

MANY ABUSES OF ALL-WOOL TERM.

This adulterated fabric—this fabric containing dead, second-hand wool—this shoddy fabric is sold to the trade and to the public under the term "all wool."

The term "all wool" deprives the public, the retailer, and the sheep industry of protection that can only be given by distinguishing between shoddy and virgin wool.

The term "all wool" places the public and the retailer at the mercy of the profiteer and the unscrupulous.

The term "all wool" compels the sheepman to compete with the ragman.

Even the most inferior shoddy may be "all wool," but virgin wool can be only the genuine wool—right from the sheep's back that has never previously been spun and woven.

While the term "all wool" deprives the public, the retailer, and the sheep husbandry of protection, it affords opportunity to sell shoddy as virgin wool.

Fulllest advantage has been taken of this opportunity, and so it is that many, even of the highest priced fabrics, in even the most exclusive shops, contain shoddy.

[Quoted from the Essex County Farm Bureau News, issue of Jan. 10, 1920.]

Ask our retailers for a virgin wool sweater, suit, socks, overcoat, underwear. It may sound queer to us and the merchant may "snicker," but he won't "snicker" very long. Virgin wool labels are coming and the honest, progressive merchant and manufacturer will welcome it. Essex County Sheep Breeders' Association, we believe, was the first association to propose a pure fabric law. It took time to soak in and get under the skin of our leaders in the sheep world, but they are converted now and are going after it in earnest.

Mr. Sheepman, the sooner a virgin wool label appears on woollen goods, the sooner your wool will sell on its own merits.

Mr. Consumer, a virgin wool label will reduce your clothing costs, because you will get what you pay for.

[Quoted from the New York Evening Journal, Nov. 20, 1919.]

The sheep industry in the United States has dwindled, partly because individuals are allowed to amuse themselves raising dogs that kill and worry the sheep, partly because swindlers that make dishonest cloth keep using the same old rags over and over in their manufactures, and discourage shepherds that raise sheep and produce pure wool.

The law should compel every manufacturer of cloth to say, on the cloth, exactly what it is, and to leave on the label until it is taken off by the individual that buys the finished suit of clothes.

This would protect the public, protect the sheep men, and protect honest manufacturers, of whom there are many, men that sell what they pretend to sell and do not swindle the public.

[Quoted from the Pennsylvania Farmer.]

MORE SHEEP AND LESS SHODDY.

There never was a time when both producers of wool and purchasers of wearing apparel realized the value of a pure fabric law more than they do to-day, and now is the time for Congress to free the public from clothing profiteers, and wool growers from unfair competition.

The menace to wool growers from the general use of shoddy in clothing is greater than is the dumping of wool into America from foreign countries, and yet for years politicians have been pleading for protection of the American sheep industry.

What the public and the sheep industry need is protection from shoddy manufacturers and rag men. When it was necessary to protect the public from adulterated goods, Congress passed the pure food law. Now the public needs pure-clothes law. The wool growers are only asking the same kind of protection that Congress gave the dairy farmers. Will Congress see that they have it?

[Quoted from the Albany Knickerbocker Press, Albany, N. Y., Dec. 20, 1919.]

AN HONEST FABRIC LAW.

* * * It is hard to see how any manufacturer of clothing, any tailor or any retailer could have an interest in preventing a customer from knowing what he is buying.

The advantage of virgin wool textiles for the consumer lies in the assurance of service, wear and appearance. These are qualities in which clothing has deteriorated to a shameful extent in the last few years. Why not have an honest fabric law, so that those who are able and willing to pay for the real goods will know that they are getting what they pay for, and so that those who are contented with the less warm and lasting goods will know what they are getting? This is a matter of much importance to consumers—of more importance to them than to the sheepbreeders, for the latter will always sell their wool. It has to do with better dressed and more economically dressed Americans, and so it deserves attention.

[Quoted from Successful Farming, Des Moines, Iowa, issue of January, 1920.]

A LAW THAT COMPELS TRUTH IN FABRICS.

Substitution is the thing in which the exorbitant prices of clothes and cloth, and clothes and cloth profiteering, have their roots. The people pay for virgin wool and get shoddy. In these days of skyrocket prices the consumer is entitled to know what he is getting for his money. If he goes into a reputable shop and buys a ready-to-wear suit for \$75 he is entitled to know the real makeup of the suit. There is little likelihood of its being any great percentage virgin wool, but if the buyer knew the suit was shoddy in most cases he would not pay the \$75 for it. In reducing clothing costs and preventing profiteering in clothing as in many other things, the simplest measure is the most effective. In the case of clothing it is the high cost of substitutes which is at the bottom of all the trouble and is the key problem in getting prices to a safe and reasonable basis.

The preservation of the sheep industry necessitates freeing woolgrowers from the existing unfair competition with shoddy. Without question the supply of wool is far below the demand; little progress has been made in increasing production because sheep husbandry is made risky and unprofitable by compelling the grower to compete unfairly with the ragman.

* * * A few years ago the pure food law was enacted. People said it couldn't be done; it wouldn't work. But it was done and every honest food producer as well as consumers have been benefited.

A truth in fabric law will be to the sheep industry what the pure food law has been to dairying. It will bring down the price of substitutes and make the price of the genuine articles such that farmers can afford to produce it. There will be a demand for both both people will know exactly what they are getting and price paid will be in proportion to value received.

[Quoted from the Cloverland Magazine, November, 1919.]

THE "TRUTH IN FABRIC LAW" WILL DO JUSTICE TO THE SHEEP INDUSTRY.

There was a time when "all wool" meant that any fabric so designated was honest cloth made from pure virgin wool, and was synonymous with wearing quality. There was a time when the purchase of an "all wool" garment was a good investment for rich or poor, because it was an exchange of honest wool for honest money, a 100 per cent return for the dollar. Modern machinery and processes of renovating rag piles, reworking clippings from tailor shops and garment factories, have produced a fine "all wool" shoddy that has robbed the old "all wool" trade-mark of its honest heritage and to-day the slogan "all wool" may mean anything from a revamped heap in a junk yard to fabric made direct from the wool on a sheep's back.

Nothing "ails the sheep industry" more than this unfair and too often downright dishonest competition. The honest merchant suffers with the buying public and the wool grower, for he, too, is at the mercy of the fabric manufacturer and is forced to accept clothing made from the "all wool and a yard wide" stuff which may be really all wool but a reworked fiber that has served mankind even unto the third and fourth generation—reworked until there is no tensile strength, no wearing quality, nothing but a distorted pattern after the first exposure on a damp day.

The purpose of the "truth in fabric law," is to protect sheep husbandry from unfair competition with shoddy and to protect the public from deceit and profiteering that result from the unrevealed presence of shoddy in woolen fabrics and clothes, by making it compulsory to make known the presence of shoddy and cotton in woven fabrics and clothes made from such fabrics.

[Quoted from the Moline, Ill., Dispatch of Oct. 25, 1919.]

When a fabric or garment is guaranteed to be "all wool" the public understands it to be virgin wool, which it is not. The public does not know that the "all wool" guarantee has lost its meaning. Even inferior shoddy may be truthfully described as "all wool."

There is coming to be large demand for a "truth in fabric" law for the protection of your sheep and wool growing industry, as well as for protection of the public.

[Quoted from the Staunton, Va., Daily Leader of Oct. 17, 1919.]

If the term (virgin wool) can be brought into general use for such wool, it will tend to protect the buying public from a manifest and serious fraud. The expression is being used by manufacturers.

The term (virgin wool) ought to be generally adopted, and there ought to be a law requiring "all wool" goods to be labeled either as shoddy, mixed or "virgin wool." Then deception would be impossible unless the buyer were too stupid to do anything for his own protection.

[Quoted from the Portland, Oreg., Telegraph of Oct. 9, 1919.]

ONE RIGHTEOUS MEASURE.

The bill (the truth in fabric law) is proposed to compel labeling of wool fabrics and clothing to show the presence of shoddy and cotton.

Obviously, this is a righteous measure. The wonder is that it has been delayed so long. The principle of it is that of common honesty.

"The truth in fabric" idea is but another way of expressing the square deal in American trade. Ethically and practically it is an idea that deserves to be legalized.

[Quoted from the New York Times.]

VIRGIN WOOL GROWS POPULAR.

A good deal of satisfaction is taken in the woolen trade in the acquisition of the term "virgin wool" in place of "all wool." The latter phrase was the cause of unending controversy between those who believed in the merit of reworked wool and included that article within the strict meaning of the term "all wool" without any twisting of the truth, but the consumer's interpretation scarcely jibed with that of the technical manufacturer's.

[Quoted from a speech by Mr. B. F. Harris, banker of Champaign, Ill., at the advertising convention held in Chicago, Oct. 27 to 29, 1919.]

A man who sells something and does not give 100 per cent of what he advertises, must beware, because there won't be room for him in this line of business or in this country.

When we talk about "all wool" as we used to, we mean just that. Now some of them get around it by saying "all wool" and we have had to invent the term "virgin wool."

[Quoted from an article in the Clothier and Furnisher of October, 1919.]

Memories of "The Jungle" of Theodore Roosevelt; of Dr. Wylie, of the national pure food law have been stirred by the proposal, now brought forward, that Congress enact a pure fabric law, which shall require manufacturers to properly brand all fabrics, especially to designate fabrics which are virgin wool, and those which are not.

Their requirement that all fabrics be properly branded would render it impossible for anyone to sell shoddy as virgin wool from the first factor of distribution to the retailer, and would therefore reach the disease right at its source, which is the only effective remedy.

[Quoted from an article credited by the Daily News Record in which it appeared Sept. 8, 1919, to Charles M. Haskins, secretary of the National Association of Waste Material Dealers.]

For years, the clothing trade have in a sense been taking money under false pretences, in that they have emphasized the fact by advertising and other methods, that their goods were all wool. Their statements were true enough, even though 50 per cent of their goods might have been wool shoddy. But the average person has bought much goods with the belief that all wool meant virgin wool. Now, * * * the cat is out of the bag. Certainly, all the clothing manufacturers can not claim they are making but virgin wool fabrics, because careful students of the subject have developed the fact that all the virgin wool in the world only allows 14 ounces a year to each man, woman and child outside of the tropics.

[Quoted from the New York Post, Jan. 13, 1920.]

PURE FABRIC LAW.

It is expected that the present session of Congress will pass adequate legislation to control the labelling of fabrics. It is expected to be made a misdemeanor in future to brand any fabric untruthfully and punishment, probably by fine and imprisonment, will follow violation of the law. It is considered essential to progress that the exact truth be told by such labels.

[Hyman H. Cohen in the Oregon Sunday Journal, Portland.]

LIVE-STOCK INDUSTRY IS FACING A VERY SERIOUS SITUATION.

Conditions existing to-day in the live-stock trade call for much thought. There are decreased supplies of both hogs and cattle available in the country, while sheep holdings have been increased as a result of the extreme values that have ruled for meat as well as for fleece during recent years.

It would be idle for sheep men to expect a continuation of the prevailing high prices for fleece, unless there is a very radical change in the situation which confronts them.

During the war and just previous to it, there was a growing consumption of shoddy ~~or~~ worked-over wool utilized in the manufacture of clothing. There being an absence of legislation in this regard, woolen mill interests could put as much shoddy in their cloth and clothing as they sought and still sell the product as "all wool" and in favorable competition with those millmen who were playing fair with the public and were using virgin wool in manufacture.

MAKES UNFAIR COMPETITION PROFITABLE.

Absence of proper legislation to safeguard the manufacturers, as well as the public, against the use of dirty old rags in the making of cloth and clothing has been highly profitable to the mills that have utilized this cast off material. It has placed a premium against the use of virgin wool—the stock as it comes from the sheep's back—and has made fortunes for those who have hoodwinked the public by the use of the dirty raw materials that come from the gutters and the alleys.

Congress has been asked to pass the truth in fabrics bill, which is otherwise known as the pure fabric measure. Such a measure would mean proper protection to the honest manufacturers against the dishonest ones and it would likewise protect the consumer—you and I—against the buying of inferior cloth when payment is made on the basis of first-class materials. Naturally those who utilize a very large per cent of shoddy are very unwilling to give up such a profitable business and compete for trade only upon the merit of their manufacture.

MEANS PROTECTION TO ALL.

Passage of the pure fabric bill, as it is commonly known, would quickly put the wool market on a basis where it belongs. It would eliminate from unfair competition the rag picker and the product he gathers from the gutters and the alleys, which is later turned into so-called "all-wool" clothing.

Passage of such a bill would mean that the sheep grower would receive a larger demand for his virgin fleece and, therefore, would be able to command a better price than would be the case if manufacturers were allowed to compete unfairly by the use of dirty rags in the making of cloth and clothing. The public would be benefited directly by being able to secure exactly what it is willing to pay for, such as is to-day shown in the foodstuff market because of the operation of the pure-food law.

SHODDY WOULD SELL LOWER.

Those who wanted to could secure cloth or clothing manufactured from shoddy or dirty rags, but they would secure it at its proper worth, and not be forced to pay a price that should call for stock manufactured from virgin wool. This would dispose of the argument made by some of these users of shoddy that the proposed law would prohibit the manufacture and sale of cloth that does not contain the virgin material. The law especially provides for the use of any materials that the manufacturer cares to utilize, but it also provides that the cloth must bear a label and this label must tell the truth. Only users of pure virgin wool would thereby be able to call their stock "all wool."

WOULD SAVE THE SHEEP INDUSTRY.

The passage of such a law would save the sheep industry from ruin. It would save the public from paying a big price for virgin wool while obtaining only the worked-over product, otherwise known as shoddy.

Leading manufacturers, dealers, and the public generally are rallying to the support of the truth-in-fabrics bill, but thus far Oregon woolgrowers have ignored the matter.

The following resolution recently passed by the New Jersey State Retail Clothiers' Association shows how even the men in the trade realize the necessity of the proposed law:

- "Whereas a large part of the raw material used in manufacturing woolen fabrics and apparel sold as 'all-wool' is shoddy, and not virgin wool as the public believes;
- "Whereas the public does not even suspect that the term 'all-wool' may mean wool that has previously been used in cloth;
- "Whereas the term 'all-wool' is a mere general term that may include shoddy;
- "Whereas even the most inferior shoddy may be 'all-wool';

"Whereas the term 'all-wool,' because it fails to distinguish between shoddy and virgin wool, permits fabric manufacturers to secure virgin-wool prices for shoddy fabrics, and thus places tremendous premiums on the use of shoddy by fabric manufacturers, discourages the use of virgin wool by fabric manufacturers, and causes the fabric manufacturers to divert the public's demand for virgin wool from the woolgrowers to the shoddy manufacturers;

PUBLIC AT MERCY OF MANUFACTURERS.

"Whereas the term 'all wool,' because it fails to distinguish between shoddy and virgin wool, places the public at the mercy of fabric manufacturers; deprives the people of their right to choose between shoddy and 'virgin wool'; deprives the people of the knowledge of whether they are purchasing shoddy or virgin wool—the knowledge that is the people's sole protection against those who would charge virgin wool prices for shoddy, and thus robs the public;

"Whereas the unrevealed presence of substitutes, especially in shoddy fabrics and cloths, abrogates the law of supply and demand, places a premium on deceit and profiteering, and violates economic law and outrages moral law: Therefore be it;

"Resolved, That the New Jersey Retail Clothiers' Association earnestly urges in the interest of truth and justice, and for the protection of the public, that the United States at the earliest possible moment enact legislation making it compulsory to make known the presence of substitutes for virgin wool, especially shoddy, in fabrics purporting to contain wool and apparel made from such fabrics; and in order that this worthy object may be speedily accomplished in the interests of all people, we request the earnest cooperation of all who desire to see right prevail and honest practice established in all branches of business."

HOG SUPPLIES DWINDLING.

Hog supplies are dwindling, for the very good reason that compared with the producing price, values are down too far. There has been practically no incentive for farmers to purchase stocks, and the feeders have been unwilling to take chances on more than a nominal supply.

Such a condition is due principally to the lack of export demand for supplies. Pork products were in such strong demand abroad that this enabled packers to pay extreme values, but even these were not unduly high, considering the cost of feeding. With lard an extreme drug on the market, killers are disposed to pack as little stock as possible, and this, therefore, throws the bulk of the demand into the block stock; a demand that is not sufficient to take care of the business.

CATTLE RANGE GOING FAST.

So little range remains for cattle feeding in the West that this has had a very serious effect upon the volume of holdings in the Pacific Northwest. Because of the extreme cost of hay and feeds and the lower price for cattle in the various stockyards, leading producers have been cutting down their herds to such an extent that soon the shortage of supplies will be keenly felt not only in this country, but in other parts of the world. The decrease in cattle holdings in the Pacific Northwest has been marked during the last two years.

[Portland (Oreg.) Journal, Mar. 15, 1920.]

SHODDY DENOUNCED.

PORTLAND, *March 9.*

To the EDITOR OF THE JOURNAL:

How much longer are the people of this country going to submit to the use of shoddy in clothing? Its use is dishonest, and it is put into clothing for a fraudulent purpose. It has little intrinsic value, because it is "dead" wool, and will not wear. The powerful chemicals used to reclaim it from wool and cotton rags destroy the natural oil necessary to live wool and render the fiber weak and brittle. A few years ago, when I was a traveling man, I went through a shoddy mill in Pike County, Mo. The manager was not proud of his business, and frankly said he would not care to use any clothes made from shoddy. I remember the shoddy at that time cost the woolen mills 8 to 10 cents a pound, which, of course, accounted for its extensive use.

Does it use make clothing cheaper? Not at all. The man who makes the shoddy knows it is practically worthless, and the mills that use it know it has little wearing value. The Government could easily stamp out the shoddy mills, and woolen mills could be restrained from using it. The sheepman would fight it. It displaces millions of pounds of new wool annually, thereby cheapening the honest product. The consumer should fight it because of the fraud practiced upon him. Rags that make shoddy are gathered from filthy sources and are often not only filthy but contaminated with disease.

Oregon, which has always been a leader in progressive legislation, should be first to outlaw shoddy, in the name of cleanliness, decency, and honest business.

DOUGLAS HEWITT.

[Portland Journal, Mar. 19, 1920.]

WOOLGROWERS GET APPEAL TO HELP OWN BUSINESS.

Frantic messages are coming here from the East appealing to Oregon sheep and wool men to give some financial support to the movement to secure the passage of the pure fabric bill, officially known as the truth-in-fabric measure, which is about to come before a congressional committee for investigation. All efforts to interest Oregon growers in this measure appear to have been futile, sheepmen here preferring to allow sheep growers of other States to bear the burden. Some of the latter have already assessed themselves for this purpose.

[Editorial from the Adrian (Mich.) Telegram, Thursday, Mar. 18, 1920.]

HONEST CLOTH.

Probably it will be news to most people to learn that there is a bill pending in Congress known as the truth in fabric law, and they may have to be still further informed as to what its purpose is. But even if people know about it, every last one of us are interested in it; for its purpose is nothing more nor less than to give us honest woolen cloth.

That does not mean all-wool, virgin wool, nor any other particular sort. It simply means that the makeup of the cloth shall be stamped upon it, or otherwise made known to the purchaser, so he will know what he is getting. It will not forbid shoddy, or cotton-wool mixtures; it merely aims to protect the retail dealer and his customers against the sharp practices of manufacturers and jobbers.

The worst trouble centers around the use of shoddy. That term in the popular mind means something cheap, poor, and inferior; but in the wool trade it designates material, not quality. Shoddy is worked over wool, as distinguished from fresh or virgin wool. It is made by picking to pieces woolen rags and respinning and reweaving the material. It is still wool, as much as it ever was; but it has shorter fiber, and has lost some of its strength and wearing qualities.

Now, shoddy is all right in its way—a very useful material, satisfactory for many uses, and well worth its price when that price is an honest one. Some very fine and very expensive articles are made of shoddy. They may look so much like virgin wool that nobody could tell the difference, and if they are not intended to stand much wear they may serve just as well as virgin wool.

Shoddy costs the manufacturer from 20 to 50 cents a pound. Virgin wool costs him from 70 cents to \$2 a pound. Naturally if the first can be made to look like the second, there is a temptation to sell it at the higher price. This is easily done, because few can tell the difference. The bill is not aimed at the retail merchant, who is often a victim of the deception. It is aimed to correct a mischievous practice that has grown up in the woolen manufacturing business, to the detriment of both the retailer and his customer.

The customer does not always suffer, as far as the quality of the article is concerned, because shoddy in some cases is perfectly satisfactory. So is brass perfectly satisfactory. Shoddy ought to be made, sold, and used. It absolutely must be, because there is not enough virgin wool to supply the demand. It would be a wicked waste to destroy woolen rags when they can be reworked into useful fabrics. But while shoddy may look just as well as virgin wool, and be just as warm, it is worth less, and should be sold for less.

This substitution is not only costly to the consumer, but very detrimental to the wool raiser. It tends to pull down the market price of virgin wool, and to raise the

price of the inferior shoddy. That takes money out of the pocket of the farmer and sheep raiser, and hands it to the rag man and the shoddy manufacturers. It discourages the man who should be encouraged—the producer—and takes from him profits which ought to be his, not only for his own good, but for the public good.

Herbert Hoover recently stated in an address that "the American farmer receives a less proportion of the consumer's purchase price for his product than the farmer of most civilized countries," and this statement is perhaps more true of virgin wool than of any other ordinary farm product. There is every reason why the wool producer should be protected against substitution, the same as the butter maker is protected against the dishonest sale of oleomargarine. When the producer is thus protected the consumer is also protected, and no honest interest can possibly be injured thereby.

The so-called truth in fabric bill has been introduced in both Houses. In the lower House it is known as No. 11641, introduced by Representative Burton L. French, of Idaho, while the Senate bill, No. 3686, is sponsored by Senator Arthur Capper. The principle involved in these measures should receive the support of not only farmers, but of the general public.

Mr. WALKER. Finally, I would very much appreciate it, gentlemen, if you will have printed as part of the hearings, an analysis, prepared by the association of which I am president, of a few of the objections to the truth-in-fabric act, and the answers to those objections.

The CHAIRMAN. Are those several parts of the one argument?

Mr. WALKER. They are on both sides of the argument, Mr. Chairman. [Handing documents to the chairman.]

(The material submitted by Mr. Walker is as follows:)

SERIES 1.

OBJECTIONS TO TRUTH-IN-FABRIC LAW ENUMERATED, ANALYZED, AND ANSWERED.

[National Sheep and Wool Bureau of America, Chicago.]

OBJECTION.

Labeling would place the stigma of inferiority upon many superior kinds of goods, while many inferior and almost worthless kinds would be given a certificate of character by the same requirement.

ANSWER.

A truth-in-fabric law is the quickest and surest means of disarming any unwarranted prejudice that may exist against shoddy or cotton, because the truth-in-fabric law will give shoddy and cotton full credit for all merit possessed.

If shoddy possesses even one-tenth of the merit claimed for it by those who extol its use, no prejudice, however great, against the word "shoddy" could survive with a truth-in-fabric law.

A truth-in-fabric law would also deprive virgin wool of any undeserved confidence it may "now" enjoy.

With a truth-in-fabric law shoddy, cotton, and virgin wool would each have to stand on its own merits.

The provisions of the truth-in-fabric law in no sense certify concerning quality of fabrics or in any way whatsoever indicate an opinion concerning comparative merits of the fabrics' ingredients.

A truth-in-fabric law gives the manufacturer fullest scope in the choice and use of materials, and expresses no opinion whatsoever, or gives no assurance whatsoever, concerning the comparative merits of either the materials used in manufacturing the fabric or in the fabric itself.

A truth-in-fabric law merely requires a truthful statement of the fabric's contents.

It would utterly fail to accomplish the intended purpose of protecting the public against imposition. This is demonstrated by referring to a sample made entirely of new wool, qualified to be labeled as such, and yet so wretchedly constructed as to be almost worthless for clothing. On the other hand, consider the sample—all shoddy, and yet a warm and durable fabric.

comprising the classifications of the primary ingredients used in the manufacture of woolen fabrics.

Therefore, if those who sincerely believe that substitutes for virgin wool possess the merit alleged, they should favor a truth-in-fabric law, because a truth-in-fabric law would give the substitute full credit for all merit that it possesses.

The imposition that a truth-in-fabric law protects the purchaser against is the imposition of being charged the price of the genuine for a substitute.

Knowledge of when fabrics contain shoddy is the purchaser's only protection against those who would charge virgin wool prices for shoddy.

The term "all wool" is an "alias" under which shoddy passes as virgin wool.

This practice of permitting the people to believe shoddy to be virgin wool places a huge premium on the use of shoddy by fabric manufacturers, and correspondingly discourages the use of virgin wool, and provides a tremendous temptation to fabric manufacturers to charge virgin wool prices for shoddy.

So great is this temptation, that only those fabric manufacturers with the most vigorous integrity can resist it, and the people are, because of it, placed completely at the mercy of the unscrupulous.

Poor fabric construction and shoddy invariably go together, because both result from the same motive with the fabric manufacturer, namely, "low-production cost."

The fabric manufacturer whose fabric construction is poor is holding down production costs, and he will use shoddy because it costs less than virgin wool.

The better grade shoddy is not used in place of the poorer grade of virgin wool.

The better grade shoddy is used only in fabrics in which the purchaser expects not only virgin wool, but the choicest virgin wool.

But instead of virgin wool the purchaser gets shoddy and is charged virgin wool prices for it.

Note the following quoted from a Boston publication known as *Fiber and Fabrics*.

"* * * In some of the most fashionable imported goods that our so-called exclusive dressers must have the shoddy content is greater than virgin wool. Some of the best American made goods offered the public are made up of scientific mixtures of virgin wool and shoddy.
* * *"

Please note that these are fabrics in which the purchaser has a right to expect not only virgin wool, but the choicest virgin wool, and yet he gets instead a large percentage of shoddy, for which he is charged virgin wool prices.

Virgin wool always costs the fabric manufacturer more than shoddy, which would be used as a substitute.

The motive that causes the fabric manufacturer to use virgin wool also forces the fabric manufacturer to employ only the best construction and craftsmanship.

Good construction and craftsmanship and virgin wool invariably go together, and it is equally invariable that it is with shoddy that poor construction and poor craftsmanship will be found.

Shoddy can never equal in worthiness the virgin wool from which it is reworked, and shoddy always costs less than the virgin wool from which it is reworked.

TRUTH IN FABRIC LAW.

However, the issue is not as to the comparative merit of the substitute and the genuine, or the new and the secondhand.

Shoddy is both a substitute and a secondhand article, or worse. (Shoddy is frequently reworked several times, losing strength and worth with each successive reworking.)

The issue is that it is the purchaser's right to know when he is being sold a substitute or a secondhand article.

A slightly used secondhand suit made from materials of a superior quality and finely tailored may be infinitely better than a new suit made from inferior materials and poorly tailored, yet, the fact of the secondhand suit being superior, can in no sense justify the sale as new of a suit that is secondhand. Failure to make known to the purchaser that the thing purchased is a substitute or secondhand, places the purchaser completely at the mercy of the seller, and permits the seller to charge for a substitute or a secondhand article a price much higher than the cost of the substitute or the secondhand article to the seller would warrant.

Then again, there are those who, for reasons which to them are sufficient, do not care to purchase a substitute or a secondhand article, however meritorious such an article may be.

Failure to make known to the purchaser that an article is a substitute or secondhand permits the seller to sell such persons an article which they do not want, and which they would not knowingly purchase.

There are many people, who for reasons satisfactory to themselves, will not knowingly purchase a suit containing cotton, and it is manifestly unjust to permit a condition to exist whereby the fabric manufacturer can thus, against the will of the purchaser, force the sale of an article which is not desired or would not know-

ingly be purchased, simply because the fabric manufacturer desires to sell fabrics containing cotton and professes to believe they are best for the purchaser.

Precisely the same thing obtains in connection with shoddy.

No matter how great may be the merit of shoddy; there are those, who for reasons of their own—reasons by which it is their right to be actuated—do not want second-hand wool, and would not knowingly purchase it. It is the privilege of the fabric manufacturer who believes in the merit of fabrics made from shoddy to endeavor to convince the purchaser of the merit he alleges the fabrics to possess, and to seek to sell fabrics containing shoddy for what they are, but, by deception or omission to permit the purchaser to believe that such fabrics are made of virgin wool and by taking advantage of this belief, to sell the purchaser something that he would not knowingly purchase, and to secure from the purchaser a price that he would not pay if the purchaser knew that the fabrics contain cotton or shoddy—is to say the least—manifestly unfair, if not actually, fraudulent.

Precisely these same arguments, and all of the arguments that are advanced by fabric manufacturers who do not want the presence of substitutes and second-hand materials in fabrics made known to the purchaser, were advanced against the proposal to make it compulsory to identify oleomargarine.

It was claimed by the oleomargarine adherents that good oleomargarine was infinitely better than poor butter, and that to identify oleomargarine would prevent its sale, because of what was termed "the unwarranted and unreasonable prejudice of the public against oleomargarine."

The same absurd argument that is now being employed by the opponents of the truth-in-fabric law, was also employed in connection with the proposal to identify oleomargarine, namely, that such an identification would be worse than useless, for it would perpetrate fraud upon the public, inducing unskilled purchasers to accept an utterly worthless article, such as rancid butter, because of the labeling, while it would condemn and cause to be rejected the good quality oleomargarine.

Therefore, identification would, because of public misconception, cause the public to refuse to purchase oleomargarine, and to purchase in its stead, merely because it is labeled "butter," a poor quality of butter, not nearly as desirable and as beneficial as oleomargarine, which the label caused to be rejected. Thus—the opponents of the legislation

making it compulsory to identify oleomargarine, claimed the purpose of such legislation, namely to protect the public, would be defeated and would prove harmful to those whom it was intended to serve.

That these claims are as false as they are absurd has been proven by the law which made it compulsory to identify oleomargarine.

Making it compulsory to identify oleomargarine resulted in a better quality of oleomargarine being sold at a much lower price.

Making it compulsory to identify oleomargarine permitted the people to exercise their right to choose between oleomargarine and butter, and prevented the purchaser from being imposed upon or from being charged for oleomargarine the price of butter.

Furthermore, the law making it compulsory to identify oleomargarine has given oleomargarine credit for all merit that it possessed, and thus disarmed the prejudice of many against oleomargarine.

Truth and square dealing demand that the purchaser shall know when he is purchasing a substitute or a secondhand article.

Furthermore, a truth-in-fabric law inconveniences no one except those who wish to gain and hold an unfair advantage over the purchaser by keeping the purchaser in ignorance of when fabrics contain substitutes or secondhand materials.

Truth and square dealing demand that the purchaser shall know when the purchase contains a substitute or a secondhand article, and every person who is in favor of a square deal will heartily approve a truth-in-fabric law.

The price at which fabrics and clothes containing shoddy are now sold can be obtained only because the purchaser believes he is purchasing the genuine.

Permitting the purchaser to choose between the genuine and the substitute will make it impossible for the seller to secure for a secondhand article or substitute, the price of the genuine.

Substitutes and secondhand materials, such as shoddy, will have to be sold on their merits, and in order to insure their sale, their quality will be improved.

Consequently, as was the case with oleomargarine, the truth-in-fabric law will therefore, in the case of fabrics containing substitutes, greatly improve the quality and decrease the price.

Depriving the purchaser of knowledge of whether it is the genuine or the substitute that is being purchased, because it permits the seller to secure the price of the genuine for the substitute, especially shoddy, and correspondingly decreases the use of virgin wool by fabric

Objection is that it would not tend to improve the quality of fabrics, but would tend greatly to increase the cost to the purchaser.

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manufacturers, wrongs and imposes great hardship upon the woolgrower.

Therefore, the truth-in-fabric law will protect the public against deceit and profiteering in selling a substitute when the public pays for and demands the genuine, and it will also protect and stimulate sheep husbandry, thus making available an increased supply of virgin wool from which to make virgin wool clothes for those who desire them.

Therefore, the truth-in-fabric law will inevitably result in better clothes at lower prices.

In this connection, it must also be realized that giving the purchaser the knowledge of what he is purchasing, will permit the purchaser to choose between the genuine and the substitute.

If too great a price is charged for the substitute, he will purchase the genuine, and if too high a price is charged for the genuine, he will purchase the substitute.

Therefore, the one will be pitted against the other, and will inevitably and automatically prevent an excess charge for either.

This British merchandise-marks act, or any other similar law, would fail utterly to protect the people against deceit or profiteering in fabrics, because in the first instance fabrics with few exceptions are not labeled, and therefore there is no evidence of misrepresentation.

It is the public's misunderstanding of the term "all wool" that makes it possible for the seller to secure virgin wool prices for shoddy fabrics. While not realized by the public, the term "all wool" is no longer adequate as a mere description, as it has become a general term that includes shoddy.

Even the most inferior shoddy may be truthfully described as "all wool."

Therefore this British act which is proposed would afford absolutely no protection.

Existing conditions make it absolutely necessary to employ, instead of the general term "all wool," the precise term "virgin wool," which can mean only wool that has never previously been used.

Therefore fabric manufacturers would not be amenable to this British law unless they stamp fabrics containing shoddy "virgin wool."

Consequently this law or any similar law would, in existing circumstances, be a dead letter.

Therefore it is easily understood why fabric manufacturers who desire to keep the public at their mercy by keeping the people in ignorance of when fabrics contain substitutes should recommend the marks act or any other law equally impotent.

While a protest is made against a law that makes known the presence of substitutes to the purchaser, the opponents of a truth-in-fabric law urge in its stead the British merchandise-marks act.

The term "shoddy" is inapplicable.

Would have the term "reworked wool" used instead of "shoddy."

That the term "shoddy" has become an epithet used to designate almost anything that is of an inferior quality.

Since shoddy was first used, wool that has previously been used in cloth has been known to the public and to the trade as "shoddy."

All dictionaries, all encyclopedias, and all text books on textiles designate wool that has previously been used in cloth as "shoddy."

The United States Government in its records and statistics classifies as "shoddy" even the wool obtained from the finest clippings of cloth.

The United States Government in its published census of manufacturers gives the following definition of shoddy:

"Shoddy is the generic term applied to recovered wool, cotton, jute, or other fiber of any sort."

There are two, and only two, substitutes for virgin wool that are used in the manufacture of cloth purporting to contain wool—on is shoddy and the other is cotton.

The meaning of shoddy and the meaning of cotton is understood by all, and deception is not possible with either the term "shoddy" or the term "cotton."

The designation of "shoddy" and the designation of "cotton" in fabrics is absolutely necessary in order to protect the people against those who would charge the price of the genuine for a substitute and who would force the sale of a substitute against the people's will.

Designation of "shoddy" and "cotton" in fabrics, the two and the only two substitutes for virgin wool is absolutely necessary in order to protect the people against those who would charge the price of the genuine for a substitute, but to designate any of the subclassifications of either shoddy, cotton, or virgin wool would impair the protection to the people that the designation of shoddy and cotton guarantees, against those who would charge the price of the genuine for a substitute.

It would impair this protection, because it would open the door to confusion and would provide a means of deception.

Reworked wool is a subclassification of shoddy, and because it is a subclassification would, if used, establish the principle of subclassification—a principle which would seriously impair the people's protection against those who would charge the price of the genuine for a substitute.

Quoted from an article in the American Wool and Cotton Reporter, August 21, 1919: "Since the introduction of the latter name (reworked wool), not very long ago, there has been more confusion in defining the different sorts of wool stock and their relative values.

"There seems to be an inclination to discard the name of 'shoddy' and to include every kind that is not the straight original under the head of 'reworked wool.' This is rather mystifying to those who are not so conversant with the class of material as are the experts or those engaged in handling it.

"Therefore, there is liable to be a suspicion in the minds of some cloth dealers concerning the true character of reworked wool, and to guard against any unseen depreciation by its presence, they may decide to have only the original material."

The growth of language results from the "new adaptation of words to meet the need" for a precision of expression that prevents mistakes and misunderstandings.

The term "virgin wool" like the term "virgin soil" or "virgin forest," can not be misunderstood.

There are two, and only two kinds of wool, shoddy wool that has previously been used one or more times in cloth, and "virgin wool"—wool that has never been used. The term "all wool" may be truthfully used to designate either shoddy or "virgin wool," but the people do not even suspect that the term "all wool" may mean shoddy.

The people's misunderstanding of the term "all wool" has resulted in shoddy's making the term "all wool" an "alias" under which shoddy passes as virgin wool.

The term "virgin wool" is the most hated and feared term in the English language by those who profit by selling shoddy as virgin wool.

This is true, because the term "virgin wool" makes deception impossible.

The rapidity of the wide-spread adoption and use of the term "virgin wool" by those who desire truthful terms that can not be misunderstood is abundant proof of the great need for the term "virgin wool" which is the only term that prevents absolutely possibility of mistakes or misunderstanding.

A few quotations from daily newspapers, typical of the press comment of the country:

Quoted from the New York Times:

"Virgin wool grows popular.—A great deal of satisfaction is taken in the woollen trade in the acquisition of the term 'virgin wool' in place of 'all wool.' The latter phrase was the cause of unending controversy between those who believed in the merit of reworked wool and included that article within the strict meaning of the term 'all wool.' The commonest kind of shoddy could be called 'all wool' without any twisting of the truth, but the consumer's interpreta-

tion scarcely jibed with that of the technical manufacturer's."

Quoted from the Moline, Ill., Dispatch:

"When a fabric or garment is guaranteed to be 'all wool' the public understands it to be 'virgin wool,' which it is not. The public does not know that the 'all wool' guarantee has lost its meaning. Even inferior shoddy may be truthfully described as 'all wool.'"

"There is coming to be large demand for a truth-in-fabric law for the protection of our sheep and wool-growing industry, as well as for the protection of the public."

Quoted from the Staunton, Va., Daily Leader:

"If the term 'virgin wool' can be brought into general use for such wool, it will tend to protect the buying public from a manifest and serious fraud. The expression is being used by manufacturers * * *."

"It (the term 'virgin wool') ought to be generally adopted, and there ought to be a law requiring 'all wool' goods to be labeled either as shoddy, mixed, or 'virgin wool.' Then deception would be impossible unless the buyer were too stupid to do anything for his own protection."

A few from the scores of quotations from trade papers showing that the term "virgin wool" has been adopted to describe unused wool:

Quoted from an editorial in the Clothing Trade Journal:

"Interest in 'virgin wool,' * * * and shoddy, seems to be spreading from consumer to retailer, from retailer to manufacturer to the mill. The point at issue is perfectly clear in spite of any efforts made to obscure it."

"It is a happy sign of returning honesty to business, industry, and life that we are now urged to label the ingredients of cloth. No one protests against using shoddy or cotton. All we want to know is: 'Is it shoddy?'"

Quoted from the Clothier and Furbisher:

"The requirements that all fabrics be properly branded would render it impossible for anyone to sell shoddy as 'virgin wool' from the first factor of distribution to the retailer, and would therefore reach the disease right at its source, which is the only effective remedy."

Quoted from an article credited by the Daily News Record in which it appeared September 8, 1919, to Charles M. Haskins, secretary of the National Association of Waste Material Dealers:

"For years the clothing trade have, in a sense, been taking money under false pretenses, in that they have emphasized the fact by advertising and other methods, that their goods were all wool. Their

statements were true enough, even though 50 per cent of their goods might have been wool shoddy. But the average person has bought such goods with the belief that 'all wool' meant 'virgin wool.'"

Quoted from the Daily News Record, a daily trade paper covering the textile and apparel field:

"There are some manufacturers who firmly believe that the next Congress will pass a pure-fabric law which will compel the marking of clothes for exactly what they contain * * *."

"They know that the public is learning what 'virgin wool' means, and there is no necessity for an apology for a position assumed with 'virgin wool' as a background."

Quoted from an article in the American Wool and Cotton Reporter, August 21, 1919:

"As a rule, woolen manufacturers were rather surprised when they found from their sounding preparatory to making new lightweight samples, that 'virgin-wool' fabrics were going to be much in favor, especially for men's wear."

Quoted from a Boston publication, known as "Fibre and Fabric," issue of October 4, 1919:

"* * * In some of the most fashionable imported goods that our so-called exclusive dressers must have, the shoddy content is greater than 'virgin wool.'"

Term "virgin wool" used by important clothing merchants:

Quoted from an advertisement of the Case Shop, Montreal, Canada:

"We invite you to visit our shop, see our window display, and learn why Case Clothes, tailored by Society Brand Clothes (Ltd.), of virgin-wool fabrics, at \$55, are to be preferred."

Quoted from a booklet distributed by Hart, Schaffner & Marx, to retailers and their clerks:

"Wool is the basis of all good clothing fabrics; and the best and finest cloths are woven from 'virgin wool'; that is, wool which has never before been spun or woven."

Herman C. Ritter, former president of the National Association of Retail Clothiers, in a recent statement says:

"The day is not far off when we will have standardized fabrics marked 'strictly virgin wool.'"

"Our patrons are entitled to it—the merchants should demand it."

Quoted from a speech by Mr. B. F. Harris, banker, of Champaign, Ill., at an advertising convention held in Chicago, October 27, 1919:

"When we talk about 'all wool' as we used to, we mean just that. Now some

That stamping fabrics will cause fabric manufacturers serious trouble and expense.

That chinchillas and other extremely rough cloths, especially overcoating, will not retain the stamp.

That in the case of garments, such as ladies' opera cloaks, the stamp would prevent the sale of the garment.

That enough machines to stamp fabrics are not available.

That fabrics such as carpet cloths and upholsteries can not be stamped in such a way as to carry through the factors of distribution.

The labeling idea is economically unsound from every point of view.

of them get around it by saying 'all wool,' and we have had to invent the term 'virgin wool.'"

Quoted from a published statement of Mr. Redfield, ex-Secretary of the Department of Commerce of the United States:

"A conference was held with officials of the Department of Agriculture, and we were advised that, although the Department of Agriculture has been conducting a campaign to stimulate the sheep industry in this country in order to increase not only the supply of virgin wool, but also the meat supply of the country, it is the opinion of that department that it is doubtful if the industry can be developed to such a degree that a sufficient supply of virgin wool can be secured to meet the domestic demand." * * *

The branding of fabrics as proposed by the truth-in-fabric law can be handled by automatic machines, which operate simultaneously with one of the other processes of manufacture. The trouble incurred is negligible. The expense for transfers for use in connection with this machine when purchased in large quantities will cost about 1 mill each.

These machines are in constant and daily use for marking extremely rough fabrics, such as imitation furs, etc., and it has been found possible to mark even the very coarsest of materials when a properly designed transfer is used. Transfers, when properly applied, will stand very rough handling.

For materials, such as are used in ladies' opera cloaks, a transfer which would be long and narrow in shape could be placed on or near the selvage of the goods. This selvage is either cut off or turned into the seam. Transfers, therefore, would not be objectionable.

The manufacturers of the machine agree to have a sufficient quantity of the attachments on hand for immediate use, when this law goes into effect. Their shops are large, and they have every facility for the rapid handling of a proposition of this kind.

The answer to last objection is similar to second objection, that a transfer can be properly designed for marking materials even as rough as carpet cloths and upholsteries. It is, of course, absolutely necessary to be familiar with the materials upon which the transfer is to be used in order to obtain the best results.

It is the unrevealed presence of substitutes, especially shoddy, that is economically unsound from every point of view.

This is true because of the following facts:

The unrevealed presence of shoddy abrogates the law of supply and demand by depriving the people of their right to choose between shoddy and virgin wool.

By forcing the people to pay virgin-wool prices for shoddy.

By forcing the people to purchase shoddy against their will.

By placing with fabric manufacturers the power to force the sale and use of shoddy, and to proportionately discourage the sale and use of virgin wool, and thus to arbitrarily raise the price of shoddy cloth and clothes to the price level of virgin-wool cloth and clothes, and also to force down the price of virgin wool to the wool grower, but to raise and sustain to an unnatural point the price of shoddy to the shoddy manufacturers.

With shoddy cloth and clothes forced to the level of prices of virgin-wool cloth and clothes, and with clothes at exorbitant prices, the wool grower receives less, in proportion to the world's need and demand for virgin wool than does the producer of any other important commodity of the world.

Even with the protective tariff of 11 cents a pound for virgin wool under the Dingley tariff bill, notwithstanding the fact that the price of cloth and clothes steadily advanced, the price of wool to the wool grower continued to decline and reached the astonishingly low point of only 8 cents and even 6 cents a pound to the wool grower.

The unrevealed presence of shoddy, contemptuously throws aside economic law, and outrages moral law.

It is the unrevealed presence of substitutes, especially shoddy, that is absolutely unsound economically and ethically.

The truth-in-fabric law is based upon and maintains sound economic principles, and insures the operation of the law of supply and demand by protecting the people in their right to choose between shoddy and virgin wool, and gives the people the knowledge of the presence of shoddy, which is the people's only protection against those who would force them to buy shoddy against their will and to pay virgin wool prices for it.

The truth-in-fabric law protects sound economic principles by insuring that it will be the law of supply and demand, and not a group of fabric manufacturers that determine the extent of the demand of both shoddy and virgin wool, and the price at which each will sell.

With a truth-in-fabric law, it is the people who will decide, and an unfair price can not be charged for either virgin wool or shoddy because if too great a price is charged for virgin wool, the people will purchase shoddy, and if an unfair price is charged for shoddy, they will, of course, purchase virgin wool.

CONCLUSION.

The crux of it all is just this: The objections of the opponents of a truth-in-fabric law constitute a plea to keep the public in ignorance of the presence of substitutes in fabrics, so that fabrics can be sold, which—it is alleged—people would not buy if the truth were told, and the people were permitted to know what they were buying.

By deception or omission, to sell a purchaser a thing that the purchaser would not buy if he knew the truth, is just plain "fraud," and yet, does it not seem clear from a careful perusal of the objections of the opponents of the truth-in-fabric law that it is precisely this for which a plea is made?

For fabric manufacturers to seek—over the purchaser—the advantage which the unrevealed presence of substitutes gives—an advantage by which the fabric manufacturer's "will" and "desire" may be imposed upon the people without the people's knowledge or consent—amounts to an autocratic spirit and purpose that have no place in present day human relations, and which the people will no longer tolerate when once they know of the injustice that is being imposed upon them by the unrevealed presence of substitutes.

 SERIES 2.

OBJECTIONS TO TRUTH-IN-FABRIC LAW ENUMERATED, ANALYZED, AND ANSWERED.

OBJECTION.

That the Federal Trade Commission and existing laws are sufficient to afford the people the protection aimed at by truth-in-fabric law.

ANSWER.

Limitations imposed by the necessarily restricted function and scope of the Federal Trade Commission prevent the positive and comprehensive action absolutely essential in order to free the people from the deception and unjust prices that result from the unrevealed presence of shoddy in cloth and clothes.

Neither the Federal Trade Commission nor any law on the statute book, can protect the people from the shoddy deception and wrong. This is true because of the following reasons:

The shoddy deception and wrong is perpetrated not by a misstatement, but by taking advantage of the people's misunderstanding of the term "all wool."

The public does not even suspect that the term "all wool" may mean wool previously used in cloth, and yet a large part of material sold and truthfully designated "all wool" is shoddy.

The term "all wool" may be truthfully applied to either virgin wool or shoddy.

The people can not be protected against those who charge virgin wool prices for shoddy, and who force the sale of shoddy, until the fabric manufacturer—the only person who knows—truthfully states in terms that can not be misunderstood the three primary materials, namely virgin wool, shoddy, and cotton that the fabric contains, and stamps this information on the fabric, so that the information will be available for the distributors and the people.

No existing laws nor any powers of the Federal Trade Commission can cause fabric manufacturers to go on record and in unmistakable terms stamp contents of fabrics on the fabric, so that distributors and people may know what they are buy-

That fabric manufacturer's name and integrity should be relied upon by the people as a protection against the shoddy menace and wrong.

That shoddy is so good, that it is immaterial to the purchaser to know whether he is getting shoddy or virgin wool.

That the law be amended to include all articles of apparel.

ing, whether virgin wool, shoddy, or cotton.

Therefore, the only hope of protecting the people in their rights to know whether they are purchasing virgin wool, shoddy, or cotton, and the only hope of giving the people the knowledge of when fabrics contain shoddy—the knowledge that is the people's only protection against those who would charge virgin wool prices for shoddy—is a law requiring all fabrics manufacturers to truthfully, and in unmistakable terms, stamp the fabrics stating the contents of the goods.

The names of less than 1 per cent of the fabric manufacturers who manufacture the fabrics from which the people's clothes are made, are known to the people.

Inasmuch as not even the names, to say nothing of the integrity, of more than 99 per cent of fabric manufacturers are known to the people, therefore, to rely upon this source for protection of the people against the shoddy menace and wrong, is entirely out of the question.

The United States Government is in a position to know the names of all fabric manufacturers, and to get definite information concerning the integrity of fabric manufacturers, and yet the United States Government not only insists on knowing when fabrics it purchases contain shoddy, but the United States Government limits and prescribes the amount of shoddy that may be used in fabrics purchased by the United States Government.

Fabric manufacturers would not for a second consider the suggestion that they accept shoddy in the same bale with virgin wool without any identification of the shoddy, and that they pay the price of virgin wool for shoddy.

Fabric manufacturers insist on knowing whether they are purchasing shoddy or virgin wool, and they will only purchase shoddy at the price of shoddy.

Both the United States Government and fabric manufacturers insist upon, and exercise, the right to know of the presence of shoddy, but the people are "now" deprived of this right.

While precisely the same principle in deception and profiteering is involved in all branches of the textile industry, and in other articles of apparel, such as shoes, yet the conditions in manufacturing and retailing these other articles are so different and consequently the specific methods governing enforcement would necessarily be so different as to make it ever so much simpler and more effective to have a separate law for these other articles.

The National Industrial Conference Board's report on increased cost of living between July, 1914, and November, 1919, brings out the fact that the increased cost of clothing is more than 40 per cent greater than the increase in the cost of any other necessity of life.

The truth-in-fabric law will reduce the cost of clothing by making it impossible to charge virgin wool prices for shoddy and by protecting the people in their right to choose between shoddy and virgin wool, thus preventing an unfair price being charged for either shoddy or virgin wool, by pitting one against the other.

So great is the importance of alleviating the well-nigh unbearable condition that is resulting from the exorbitant prices of clothes, that the passage of the truth-in-fabric law should not be retarded or jeopardized by imposing the complications which extending the scope of the law would involve.

However poor may be the quality of virgin wool, it is always superior, and costs more than the shoddy which would be reworked from it.

The best quality of shoddy is not used in place of the poor quality of virgin wool, but in place of the better qualities of virgin wool.

Unless the purchaser knows whether it is virgin wool he is purchasing, and unless the presence of shoddy is always made known to the purchaser, the purchaser is at the mercy of those who would charge virgin wool prices for shoddy.

That inasmuch as some virgin wool is of poor quality, therefore there is no advantage in distinguishing between virgin wool and shoddy.

SERIES 3.

POINTS OPPONENTS HAVE PREVIOUSLY SUCCESSFULLY ATTACKED FORTIFIED IN TRUTH-IN-FABRIC LAW.

UNIT A. POINTS OPPONENTS HAVE PREVIOUSLY SUCCESSFULLY ATTACKED, FORTIFIED IN TRUTH-IN-FABRIC LAW.

Point 1. That bill could not be enforced. Explanatory note: Registration provision makes enforcement simple and effective.

Point 2. That it was impossible for the fabric manufacturer or the yarn manufacturer to state exactly the percentage of ingredients. Explanatory note: The wording not under — per cent virgin wool, and not over — per cent shoddy, cotton, or silk, makes it not only possible, but easy for fabric manufacturer and yarn manufacturer to truthfully designate the information desired.

Point 3. That to enumerate the various subclassifications of ingredients in fabrics would confuse the purchaser and impose hardship upon the manufacturer. Explanatory note: The truth-in-fabric law requires only that the primary classifications shall be designated. These primary classifications are absolutely necessary to the people's protection and admit of no confusion in the minds of the people and are easily designated by the fabric and yarn manufacturer. Attempt at subclassification would confuse the people and impose needless inconvenience on the manufacturer.

Point 4. That the American fabric manufacturer would be placed at a disadvantage with foreign manufacturers. Explanatory note: The registration requirement, to-

gether with the added guaranty necessary before yarn fabrics and apparel may be admitted to the United States, gives both American fabric manufacturers and the American people absolute protection.

UNIT B. ADDED CRITICISM OF OPPONENT OF PRESENT BILL.

The criticism.—That truth-in-fabric law might heckle business.

Answer to criticism.—Why should anyone feel sympathy and concern for a small group that, as a result of the unrevealed presence of shoddy in cloth and clothes, arrogates to itself powers whereby it wrongs and robs the people by forcing the sale of shoddy and forcing the people to pay virgin-wool prices for it, and that throttles sheep husbandry, one of our most essential industries, by diverting from the wool-grower to the shoddy and rag industries the people's demand for virgin wool; but feel no sympathy or concern for the more than 100,000,000 people of the United States who are robbed and wronged, or for an essential industry that is throttled by the small group which the unrevealed presence of shoddy permits to arrogate to itself powers which belong to the people?

The truth-in-fabric law imposes only such requirements and restrictions as are absolutely necessary in order to secure for the people the knowledge of when fabrics contain substitutes, the knowledge that is the people's only protection against those who would charge them virgin-wool prices for shoddy and force them to buy shoddy against their will.

Only those who, at the expense of the people and sheep husbandry, one of our most essential industries, have gained unfair and tremendous advantage for themselves, are restrained by the truth-in-fabric law.

Surely no one who believes in justice would suggest that the more than 100,000,000 people of the United States should continue to be wronged and robbed, and that one of our most essential industries should continue to be throttled rather than require of the small group who is perpetrating the wrong that this small group shall in the interests of all the people conform to such regulations as may be necessary to insure that those comprising this small group shall relinquish the unfair advantages they have gained for themselves.

UNIT C. THE ESSENCE AND PARAMOUNT IDEA OF THE TRUTH IN FABRIC LAW.

The truth in fabric law is based and built on the idea that:

(a) The people come first.

(b) The interests and the rights of the people must be protected, even if some individual or group must be inconvenienced.

(c) Justice to all groups or individuals must be assured, but that no group or individual shall, at the expense of the people or of any other group or individual, gain unjust advantages for itself.

The unrevealed presence of shoddy and the failure to distinguish between shoddy and virgin wool in cloth and clothes, has resulted in:

(a) Fabric manufacturers forcing the people to pay virgin wool prices for shoddy cloth and clothes.

(b) Fabric manufacturers forcing the sale of shoddy and proportionately discouraging the sale and use of virgin wool.

(c) Fabric manufacturers arbitrarily forcing up the price of shoddy cloth and clothes to a point on a level with the price of virgin wool cloth and clothes, and maintaining the price of shoddy and rags at a high point—a point entirely disproportionate to the intrinsic worth of shoddy and rags or the people's need or demand for shoddy or rags, while at the same time, causing the wool grower to receive less for his virgin wool in proportion to its intrinsic worth, and the people's need and demand for virgin wool than does the producer of any other important commodity in the world.

It is this condition that helps to explain why, with cotton four and one-half times higher than the normal prewar price, virgin wool to the wool grower is only two and one-half times higher than the normal prewar price.

It is this condition that helps to explain why, with the Dingley tariff of 11 cents a pound on wool, the price of wool to the wool grower declined to 8 cents and even 6 cents a pound.

Thus it is made clear, that the unrevealed presence of shoddy, and the failure to distinguish between shoddy and virgin wool in cloth and clothes, has resulted in fabric manufacturers, at the expense of the people, and of sheep husbandry—one of our most essential industries—gaining tremendous and unfair advantages for themselves and for the rag and the shoddy industries.

The truth in fabric law makes it impossible for any individual or group to gain or hold unfair advantages for himself or itself, at the expense of the people, or of any other group.

"What's a profiteer?" "A profiteer is a man who by force of his industrial position can exact unfair prices from the public." (Statement by John R. Turner, dean of department of economics of New York University.)

Failure to distinguish between shoddy and virgin wool places fabric manufacturers in an industrial position where they can exact from the people the price of virgin wool for shoddy.

It is this wrong that the truth in fabric law corrects.

UNIT D. ORGANIZATIONS PASSING RESOLUTIONS OBJECTING TO TRUTH-IN-FABRIC LAW.

Objector, American Designers' & Foremen's Association.

ALLEGED REASON FOR OBJECTION.

Passed resolution opposing truth-in-fabric law.

Reason alleged for objection:

That labeling goods "shoddy" makes it impossible to sell such goods in foreign markets in competition with the same quality of merchandise made in another country and labeled "pure wool."

ANSWER TO OBJECTION.

Truthful merchandizing and the use of terms that can not be misunderstood are not only required by honest practices, but they have already proven the most effective means to success.

There is every reason for believing that this principle will be equally advantageous in foreign trade.

If shoddy possesses even one-tenth of the merit claimed for it by those who extol its use, no prejudice against the word "shoddy," either here or in foreign markets, could survive if shoddy were identified, because identification would give shoddy credit for all the merit it may possess.

If shoddy lacks merit, failure to identify it will prove the undoing of manufacturers seeking markets in foreign countries.

There could be no surer means of destroying American manufacturers' chances of securing a foothold in foreign markets than to permit customers in foreign markets to believe that fabrics are better than they are.

The following is quoted from an article in the Philadelphia Public Ledger, by Richard Spillane:

"The Japanese, individually, have not the highest reputation for rectitude, but they are jealous of their reputation nationally.

"They are going out after world trade. They mean to establish themselves for all time in the markets of the world, if possible. As a basis for enduring trade they are going to subject every article exported from Japan to rigid scrutiny. There must be no misbranding. Everything sent out must come up to specifications, must be honest, must be creditable to Japan.

"America is going after world trade.

"What will the customer of America who buys 'all wool' garments from the American manufacturer think when the trousers go lumpy at the first sprinkle because the 'all wool' from the rag pile

has become lifeless from many carbonizations?

"Brand goods for what they are.

"Sell goods for what they are.

"If 'honesty is the best policy' translate it into a fact in American trade at home and abroad."

SERIES 4.

OBJECTIONS TO TRUTH-IN-FABRIC LAW ENUMERATED, ANALYZED, AND ANSWERED.

OBJECTION.

That there should not be restrictive and burdensome legislation based upon the punishment of the ninety and nine honest business men, in order to reach the one real culprit.

That a Welsh genealogy on the pedigree of a thoroughbred horse would be simple as compared with such labeling as is here proposed.

That the truth-in-fabric law would work a very great hardship upon the woolen manufacturers and that the cost of administering such a law would be almost prohibitive.

ANSWER.

a. The truth-in-fabric law has no provision that is restrictive, burdensome, or punitive.

b. Every honest manufacturer and distributor of fabrics, as well as the public, will be protected and greatly benefited by the provisions of the truth-in-fabric act.

c. Only those whose interests and practices conflict with the interest of the people will be restrained by the provisions of the truth-in-fabric law.

a. The information and labeling for which the truth-in-fabric law provides, has to do only with the essential primary classifications of fabric ingredients, of which there are but four.

b. This information is simple and easily obtainable by any fabric manufacturer.

c. All this information may, be incorporated in a brand and stamped on fabrics as simply and as easily as any of the trade-mark stamps with which various fabric manufacturers are already, of their own volition, stamping their fabrics.

a. The trouble and expense to fabric manufacturers that complying with the truth-in-fabric law involves would be so small as to be a negligible quantity.

b. To stamp fabrics would require neither extra help, space, nor extra time.

c. The machine for stamping fabrics is attached to the measuring machine and both operations are performed simultaneously.

d. The actual expense to the fabric manufacturer of stamping fabrics would be only approximately one-fifth of a cent per yard of cloth.

e. Further proof that stamping fabrics is not a serious trouble or expense is furnished by the fact that various fabric manufacturers are now of their own volition stamping trade-marks or other data on their fabrics.

f. The expense to the Government of administering the truth-in-fabric law would not be appreciable.

g. It is by governmental machinery already in existence that the truth-in-fabric act would be administered, and the major part of any added expense would be

That the truth-in-fabric law makes it compulsory to stamp fabrics.

The fabric manufacturers who oppose the truth-in-fabric law claim they are in favor of protecting the public against misrepresentation, but they are determined that no law shall be passed that provides for stamping fabrics.

These fabric manufacturers who oppose the truth-in-fabric law want merely a misbranding law, such as the British marks merchandising act or the Barkley bill, now before Congress, and object to the truth-in-fabric law because the truth-in-fabric law is not limited merely to the negative purpose of punishing those who have misbranded, but makes it compulsory to stamp all fabrics truthfully, stating contents in unmistakable terms.

in connection with recording the registration numbers of manufacturers.

h. Two competent \$50 a week clerks could easily handle all detail pertaining to the registration of manufacturers, even if all the fabric, yarn, and garment manufacturers in the world were registered.

a. The British marks merchandising act, the Barkley bill, now before Congress, and all similar measures are highly important and commendable for the purpose for which they are intended, namely, the detection and punishment of those who misbrand goods.

b. Before the British marks merchandising act or the Barkley bill or any similar law can become active, goods must be branded.

c. With few exceptions, fabrics are not branded. Therefore, so far as protecting the people against those who by failing to make known the presence of substitutes permit the people to believe they are purchasing virgin wool, and thereby procure the price of virgin wool for substitutes, the British marks merchandising act or the Barkley bill and all similar acts are, until there is a law that makes it compulsory to stamp all fabrics stating contents, wholly innocuous.

d. Because the people do not even suspect that the term "all wool" may mean wool that has previously been used in cloth, shoddy has made of the term "all wool" an alias, under which it passes as virgin wool. As a result of this, the people are forced to pay virgin-wool prices for shoddy.

e. No greater merchandising wrong was ever perpetrated upon any people than that resulting from this shoddy deception.

f. This shoddy deception can be prevented only by fabric manufacturers truthfully stamping their fabrics in precise and unmistakable terms that can not be misunderstood.

g. It is precisely this for which the truth-in-fabric law provides.

h. Therefore, it is wholly irreconcilable for anyone to state that they are in favor of protecting the people against misrepresentation and for such a person at the same time to oppose the truth-in-fabric law, for the reason that it makes it compulsory to make known the presence of substitutes and to urge in the place of the truth-in-fabric law, a measure based on the principle of the British marks merchandising act, that is no more calculated to or capable of protecting the people against those who—by permitting the people to believe that all wool fabrics are virgin wool—procure the price of virgin wool for substitutes, than is a toothpick

That the truth-in-fabric act would fail of its ostensible purpose.

Certain objectors to the truth-in-fabric law allege that 77 per cent of the wool fabrics produced in the United States are worsteds. These objectors imply that shoddy can not be used in worsteds, and by alleging two points, namely—

1. That shoddy can not be used in worsteds;

2. That 77 per cent of the United States production of fabrics are worsteds—they would have it appear that 77 per cent of the United States production of fabrics does not in any way lend itself to fabric deception.

These objectors to the truth-in-fabric law also try to make it appear that not all of the 23 per cent which they allege is the proportion of fabrics not worsted, lend themselves to shoddy deception.

These objectors to the truth-in-fabric law further imply that of the 23 per cent which they allege is the proportion of fabrics not worsteds, in not more than 11½ per cent is there a sufficient quantity of shoddy used to make the provisions of the truth-in-fabric law important to the people's interest in connection with shoddy deception and profiteering.

These objectors argue, therefore, that it is unwise to impose compulsory branding of fabrics on the entire industry in order to reach the 11½ per cent which they allege is all that are likely to defraud the public by shoddy deception.

capable of being used in place of a knife to carve a steak.

i. Until the knife has been used, and the steak carved and eaten, there is no occasion for the toothpick, and until a law making it compulsory to brand fabrics is in operation there will be no misbranded fabrics for the British marks merchandising act or the Barkley or similar laws to act upon.

j. This explains why in England as well as in the United States, during all the years that the British marks merchandising act has been in effect, the shoddy menace and wrong has steadily grown, and the people have continued to pay for virgin wool, and get shoddy.

a. The purpose of the truth-in-fabric act is to protect the people against those who would charge virgin wool prices for substitutes.

b. The truth-in-fabric act can not fail of this purpose, because it gives the purchaser the knowledge that affords the purchaser complete protection against those who would charge the price of the genuine for a substitute.

c. No sane person will knowingly pay the price of virgin wool for substitutes, any more than people would pay the price of butter for oleomargarine, when they know that it is oleomargarine.

a. Hon. William C. Redfield, in May, 1919, while Secretary of the Department of Commerce of the United States, said: "The world's annual clip (wool clip) is sufficient to supply but approximately one-third of the annual production of cloth; the deficiency must be supplied by having recourse to new woolen clips (that is to say, clippings from cloth) and worn cloth.

b. There are only two substitutes in cloth for virgin wool, namely: 1, Shoddy; 2, cotton.

c. There are two reasons why shoddy instead of cotton is used chiefly as a substitute for virgin wool. These reasons are, namely:

1. The presence of shoddy in cloth is more difficult to detect than is the presence of cotton.

2. The cheaper grades of shoddy cost considerably less than does cotton.

d. Although some fabric manufacturers may deny it—the fact remains that modern machinery makes it possible to use shoddy in worsteds as well as in woolens.

e. The cotton that is used as a substitute for virgin wool is used chiefly in worsteds.

f. The Federal Trade Commission's citation in October, 1919, of a long list of underwear manufacturers for the alleged use of misleading trade terms brought to light the fact that cotton in underwear is frequently sold as wool.

The practice of selling cotton in apparel fabrics, especially in worsteds, as wool, is even more general than is this abuse in connection with underwear.

g. The statement that most buyers can and do easily detect the presence of cotton in fabrics, especially worsteds, is erroneous.

Anyone who would take the trouble to test the ability of any considerable number of retail buyers to detect the presence of cotton in worsteds (cotton is easier to detect in worsteds than in woolens), they will ascertain the fact that among retail buyers accustomed to purchasing clothes, there are very few indeed who, without the aid of scientific tests, can surely detect the presence of cotton, even in worsted fabrics.

The number of retail merchants who have facilities for scientific tests to detect the presence of cotton are so few as to be the exception.

These irrefutable facts clearly establish three vital points:

1. That in at least two-thirds of the fabrics produced in the United States there is imperative need for the protection which the truth-in-fabric law provides for the people against those who would charge the people the price of the genuine for the substitute in fabrics.

2. That in worsteds as well as in woolens is this protection vital.

3. That the great majority of the retail merchants as well as the people—because they have no facilities for making scientific tests of fabrics, and because even some shrewd judges of fabrics frequently are unable to detect the presence of shoddy or cotton in fabrics—must depend for protection upon the knowledge of what fabrics contain, which the truth-in-fabric law provides.

The arbitrary estimates made by the opponents of the truth-in-fabric law in objection 6, as to the relative proportion of worsteds, and woolens produced in the United States, is unsupported by authentic or adequate records upon which such a conclusion could reasonably be based.

Mr. Redfield's statement, quoted above, clearly indicates the following facts:

1. That approximately only one-third enough wool is produced for the manufacture of wool fabrics.

2. That the other two-thirds of the raw material used in fabrics purporting to contain wool must be supplied by substitutes, the bulk of which Mr. Redfield's statement clearly indicates is shoddy.

3. That not merely 11½ per cent—as alleged by the opponents of the truth-in-fabric law—but at least 66½ per cent of the raw material used in apparel, including worsteds sold as all wool, is made from substitutes.

4. That at least 66 $\frac{2}{3}$ per cent—not merely 11 $\frac{1}{2}$ per cent, as alleged by the opponents of the truth-in-fabric law—of the fabrics produced in the United States contain substitutes, and therefore that there is imperative need, in the case of at least 66 $\frac{2}{3}$ per cent of the fabrics produced in the United States, of the protection which the truth-in-fabric law provides.

All of these facts, cited above, are corroborative, and the alleged points of objections to the truth-in-fabric law, stated in objection 6 of this analysis, are completely refuted by the following incontrovertible facts:

1. The United States, with only approximately one-sixteenth of the world's population, uses more than one-fifth of the world's annual production of virgin wool.

2. The average annual yearly consumption of virgin wool in the United States is approximately 600,000,000 pounds. This amount in scoured wool is approximately 300,000,000 pounds, and this entire amount will only make less than 2 $\frac{1}{2}$ pounds of cloth apiece for the inhabitants of the United States.

3. Two and one-half pounds of cloth is not enough to make even one man's winter suit, and leaves not a single ounce of wool for overcoats, underwear, sweaters, bed blankets, carpets, upholstery, auto robes, steamer robes, horse blankets, etc.

4. To make even one 3-pound bed blanket apiece for the families of the United States would require one-quarter of the United States' total annual average consumption of virgin wool. The United States also has used as high as 75,000,000 pounds of carpet wool in a single year.

5. It should also be noted that in the month of June 1919, wool cloth was exported from the United States to not less than 28 South American and tropical and semitropical countries, including the Philippines and Cuba.

6. It should also be borne in mind that even in the most southerly parts of the United States, and even in the hottest part of California, woollen clothing is required a considerable part of the year, and it must also be remembered that even those who use linen and cotton suits during the summer months also have at least one lightweight wool suit.

7. Then it must be remembered that not only winter overcoats are necessary, but the great majority of the people also have a spring overcoat.

8. Then when it is remembered that the entire annual yearly consumption of virgin wool—even if not a yard is exported to the 28 countries above mentioned, and even if not a single pound of wool is used for carpets, or bed blankets, or upholstery, or any of these important

necessities outside of apparel, there would not be enough virgin wool to make even one man's winter suit.

9. These facts provide proof so overwhelming and irrefutable of the vast quantities of shoddy that are now used in fabrics that the attempt of the opponents of the truth in fabric law to make the extent of the use of shoddy appear so small as to be unimportant is purile.

m. The popular idea that shoddy can not be used in worsteds results from the belief that only the longest wool fibers can be used for worsteds.

Modern machinery makes it possible to use the shorter fibers in worsteds as well as in woolsens.

In connection with this point, the following is quoted from a well-known authority on textiles, in a book entitled "Textiles," by Nystrom, published in 1919 by D. Appleton & Co.

"Modern machinery permits worsted manufacturer to use short wool.—The only thing that the wool manufacturer considers now in choosing his wool is the price and the peculiar qualities that he desires in his finished cloth. The worsted manufacturer may find that he can get the short wools of the quality to make just the kind of worsted cloth he wants at a lower price than that of the long wool; naturally then, since modern machinery permits the use of short wool, he will use the shorts."

n. It should also be noted that cotton has always been used in worsteds as a substitute for virgin wool, and it is highly important that the people shall be protected against the unscrupulous who would permit the people to believe that worsteds containing cotton are made exclusively of virgin wool.

This protection is doubly important in view of the fact that very few of the retailers have facilities or do test the fabrics to ascertain whether or not they contain cotton.

The truth in fabric law provides this protection against the sale as virgin wool of worsteds that contain cotton.

o. Therefore it is perfectly obvious that the protection against charging virgin wool prices for substitutes, which the truth in fabric law provides, is vital in all fabrics purporting to contain wool, including worsteds.

a. A process for stamping fabrics that has been tried and proven is in use and available for use by fabric manufacturers everywhere. Irrefutable proof of this fact can and will be submitted if necessary.

b. No additional buildings are necessary for stamping fabrics. The appliance for stamping fabrics is attached to the measuring machine, and no extra help,

That stamping fabrics would make it necessary for fabric manufacturers to build additional buildings, and that a process for stamping would have to be invented.

Fabric manufacturers who object to the truth-in-fabric law have expressed the alleged fear that by making the presence of substitutes known to the purchaser the purchaser will fall victim to his own ignorance.

time, or space are required for the stamping of fabrics as provided in the truth-in-fabric law.

c. The expense to the fabric manufacturer of stamping fabrics as provided in the truth-in-fabric law is only one-fifth of 1 cent per yard.

a. This alleged fear that the people will fall victim to their own ignorance has been a pet idea with autocrats in all ages.

b. Even despots have always given as their reason for depriving people of their rights that they fear that the people would fall victim to the people's own ignorance if the people were permitted to exercise their right to choose for themselves.

c. The danger to which the people's ignorance may expose them if the people were permitted to exercise their right to know and choose between virgin wool and substitutes is, in comparison to the danger from the greed of the unscrupulous to which the unrevealed presence of shoddy exposes the people, as trifling a thing as would be the danger to a child amongst a flock of lambs in comparison to the child's danger were it in a den of ferocious lions.

d. This point is further emphasized by an editorial in the Daily News Record, of New York, issue of November 14, 1919, from which the following is quoted:

"The law [the truth-in-fabric law] is based on the contention that the public is entitled to know and to form its own conclusions. The bill apparently leaves these matters to be judged by the public instead of being judged by the manufacturer, who can profit by keeping the public in ignorance."

e. The fact that the manufacturer can profit by keeping the public in ignorance is a big enough reason to explain why some manufacturers oppose the truth-in-fabric law.

Quoted from Successful Farming, Des Moines, Iowa, issue of January 20, 1920. The publisher of this paper from which the following is quoted is the Hon. E. T. Meredith, president of the Associated Advertising Clubs of the World, and recently appointed Secretary of Agriculture by President Wilson:

"Substitution is the thing in which the exorbitant prices of clothes and cloth, and clothes and cloth profiteering, have their roots. The people pay for virgin wool and get shoddy. In these days of skyrocket prices, the consumer is entitled to know what he is getting for his money.

* * *

"In reducing clothing costs and preventing profiteering in cloth, as in many other things, the simplest measure is the most effective. In the case of clothing, it is the high cost of substitutes which is at the bottom of all the trouble, and is

That the truth-in-fabric law would increase the price of wool to the woolgrower, and therefore it is alleged would increase the price of clothing to the consumer.

the key problem in getting prices to a safe and reasonable basis.

"A few years ago the pure-food law was enacted. People said it could not be done; it wouldn't work. But it was done and every honest food producer as well as consumers have been benefited.

"A truth-in-fabric law will be to the sheep industry what the pure-food law has been to dairying. It will bring down the price of substitutes and make the price of the genuine article such that farmers can afford to produce it. There will be a demand for both, but people will know exactly what they are getting and the price paid will be in proportion to the value received."

With an increased supply of virgin wool that makes possible a suit of clothes made exclusively of high-grade virgin wool at, for instance, \$5 less a suit than it is now necessary to pay for a suit containing 60 per cent or more shoddy, a just price can still be assured the wool-grower for his wool.

This is true, because when it is compulsory to let the presence of shoddy be known, inordinate prices for shoddy will be curbed and the enormous sum of money now diverted by inordinate prices of shoddy fabrics and clothes will be restored to its rightful place—a large part will remain in the pockets of the people, and a just share will go to its legitimate place with the woolgrower.

Not more than one, or at most two, Government inspectors will be necessary in connection with the enforcement of the truth-in-fabric law. This will be true for the following reasons:

1. The branding of fabrics and the labeling of garments will, without any inspection whatever, be assured by the fact that with a truth-in-fabric law the people would not buy unbranded or unlabeled fabrics or garments, as they would be suspicious of such fabrics and garments.

2. The misbranding laws, already on the statute books of 40 States, and the vigilance committee of the Associated Advertising Clubs of the World, which has large sums and facilities for tracking down and punishing those who misbrand, together with the fact that a manufacturer detected as a misbrander would be ostracized and his business ruined, would make it so risky to misbrand fabrics or falsely label garments that only the most desperate would take the chance.

3. The fact that no manufacturer would know when his every act was being watched, and his footsteps being dogged, by the machinery of some vigilance committee would cause the fear of detection and ruin to hang over every manufacturer

Enforcement of the truth-in-fabric law will necessitate the expense by the Government of keeping a large army of inspectors to inspect the operation of manufacturers.

like the sword of Damocles, and would be the strongest possible deterrent to violations or evasions of the truth-in-fabric law.

4. Even with only one Government inspector the fact that the Government has authority to require reports or to inspect the books of any manufacturer at any time together with the further fact that no manufacturer would know when the Government inspector might call on them and look over their premises and their books, would also compel fabric manufacturers to obey the provisions of the truth-in-fabric law.

Mr. WALKER. That is all I have to say, gentlemen.

Mr. JONES. Just for information, if you please: Do you people make any fabrics except all-virgin wool?

Mr. WALKER. No, sir; we do not.

Mr. JONES. You are exclusively virgin-wool manufacturers?

Mr. WALKER. We are exclusively virgin-wool manufacturers.

Mr. JONES. If this bill had been enacted into law six years ago, what do you claim would have been the effect on the cost of clothing to-day?

Mr. WALKER. If it had been enacted six years ago?

Mr. JONES. Yes.

Mr. WALKER. Mr. Jones, I would answer that in this way. I think it would have been a very good thing, as what the public would have paid to have those clothes would have been warranted. The trouble to-day is that when a man finds what he thinks is a cheap suit of clothes, he buys it, and that suit does not wear. If it was a good suit of clothes it would wear indefinitely.

Mr. JONES. You do not claim that the price of clothes would be higher?

Mr. WALKER. I claim that the price of clothes would be affected in this way, that the cost of shoddy—

Mr. JONES. Let me put it this way: What is the effect of the price on the same character of clothes, assuming now that five or six years ago you had clothes made in the same way as made to-day? What would be the effect?

Mr. WALKER. I think they would have been proportionately lower.

Mr. JONES. That is an exception, is it not, then? The price of most things is higher.

Mr. WALKER. I think the price of shoddy would have been lower. The price of virgin wool might go up for a time.

Mr. JONES. There is not enough virgin wool produced in the United States to clothe the people, and you people are virgin-wool manufacturers, and they are involved in the same proposition you are in now; you would be benefited, would you not?

Mr. WALKER. We would be benefited.

Mr. JONES. Yes.

Mr. WALKER. I think that it is obvious so far as any benefit coming to my corporation is concerned; it would be a great deal better not to have this measure passed, because we are increasing our competitors when this bill goes into effect.

Mr. JONES. If the bill goes into effect, they will have to stamp the stuff as virgin wool, and the others will have to stamp their stuff as

shoddy, and that will put you in a class by yourself, with other people who manufacture all-virgin wool.

Mr. WALKER. We and all other manufacturers who use virgin wool exclusively will be in one class—and the opponents of the measure have said that 60 per cent of the manufacture is worsted.

Mr. JONES. It would be to the advantage of the people who manufacture all-virgin wool as against the people who are manufacturing shoddy now?

Mr. WALKER. You are taking for granted that the term is going to kill the sale of the shoddy. I do not concede that.

Mr. JONES. No; I do not think it will kill it. I think it will help it.

Mr. WALKER. Then your own argument, I think, should be your answer.

Mr. WINSLOW. What percentage of the cloth made in this country do you think is represented by the so-called worsted line?

Mr. WALKER. I will accept the figures of the opponents.

Mr. WINSLOW. Are you going to accept their statement, as I understand it, that these worsteds are all made of virgin wool?

Mr. WALKER. I accept that statement, so far as this country is concerned. I do not think that we have yet ceased to be an inventive nation, and I believe that we are liable to have machinery invented some time—in fact it is reported that it is already invented on the other side—by which they will be able to use shoddy in worsteds. At this time we have no such machinery in this country.

Mr. WINSLOW. You would not want to invest in that?

Mr. WALKER. No; I would not want to go into any company at this time that was advancing that machinery.

Mr. WINSLOW. What percentage of the cloths made in this country, other than worsteds, are made of virgin wool?

Mr. WALKER. Well, Colonel, that is a nice question.

Mr. WINSLOW. Roughly, I mean.

Mr. WALKER. I would dispute the statement of the opponents that 80 per cent of the 40 per cent is manufactured of virgin wool, because in my experience with the mills of the country—and I know them fairly well—I know very few mills that use all virgin wool; so few that it is a joke in the business.

Mr. WINSLOW. What is the proportion of those that do use all virgin wool, including yourselves?

Mr. WALKER. I would say between 10 and 20 per cent of the 40 per cent.

Mr. WINSLOW. Were virgin wool?

Mr. WALKER. Yes.

Mr. WINSLOW. That would give about 20 per cent that were not?

Mr. WALKER. Of the wool goods, yes, sir; and that would be very liberal.

Mr. WINSLOW. If 60 per cent are made as worsteds and are all-virgin wool, simon-pure, and only 20 per cent of the remaining 40 per cent—which would be 10 per cent of the original, if my mathematics are right—are all wool, not made of virgin wool, the development of the virgin-wool cloth business, outside of worsteds, has not been very rapid, has it?

Mr. WALKER. That is a very simple thing to explain—

Mr. WINSLOW. Would that not be a mathematical fact?

Mr. WALKER. No; they use the substitute because in our business there is no incentive to use pure virgin wool. There is no incentive for us to make virgin-wool fabrics. The only question the trade ask to-day—the only thing they want to know—is, “Is this fabric all wool, and what is the price?” They know they can get away with the public with that statement.

During hard times in this country—we have been through them in the woollen-manufacturing business, and all of us know what they are in our business—what happens? A manufacturer is forced not to compete on quality but on price. He pushes down and pushes down the price. We are trying to get out a fabric that is cheaper than Jones makes. We use more shoddy. The man next door wants to get out a cheaper fabric than we make, and he uses more shoddy than we do, and he gets away with it; and the tendency is to use more and more shoddy, and what happens? It promotes bad business all over the country, and that necessarily reacts on the sheepman. Flop goes the price of wool. There were times in this country when wool went down to 6 cents with a protective tariff of 11 cents. It went down to 6 cents because everyone was competing on the basis of price.

Mr. WINSLOW. I would like to return to that with you after we get this other matter fixed up.

Mr. WALKER. All right, Colonel.

Mr. WINSLOW. We will assume that there is a hundred per cent of woollen cloths produced. Sixty per cent of them we will agree are worsteds, all-virgin wool. That leaves 40 per cent. If I understood you correctly, not over 10 per cent of the 40 per cent would represent virgin-wool cloths.

Mr. WALKER. I think I said 10 per cent or 20 per cent.

Mr. WINSLOW. Ten or twenty per cent?

Mr. WALKER. I might say 10, 20, or 25. All right, 20 per cent.

Mr. WINSLOW. Twenty per cent of the remaining would leave, as I see it, 10 per cent of the 100 per cent that we started with.

Mr. WALKER. No; I do not figure it that way. You are distinctly wrong there. Let us take the production of woollens in yards.

Mr. WINSLOW. No; it is 8 per cent rather than 10. Of that amount 60 per cent is worsted?

Mr. WALKER. Yes.

Mr. WINSLOW. And that leaves us 40 per cent to consider, and you say 20 per cent of that—

Mr. WALKER. No; I do not say 20 per cent of 40 per cent, but I say 20 per cent of the total amount produced. If we had 200,000,000 yards of woollen fabrics produced in the United States, 80 per cent of them would be shoddy fabrics and 20 per cent virgin wool fabrics.

Mr. WINSLOW. Out of that 40 per cent remaining what per cent do you say would be virgin wool production?

Mr. WALKER. I say of the 40 per cent remaining 80 per cent of that quantity would be shoddy materials and 20 per cent of that quantity would be virgin wool materials.

Mr. WINSLOW. Twenty per cent of the 40 per cent left—

Mr. WALKER. I do not say 20 per cent of the 40 per cent. Do not misunderstand me. If 40 per cent constituted 100,000,000 yards, for the sake of argument, 80 per cent of that—800,000 yards—would be shoddy, and 200,000 yards would be virgin wool.

Mr. WINSLOW. You are probably right, and I am a bonehead. However, suppose we had 1,000,000 yards as the total production.

Mr. WALKER. Yes.

Mr. WINSLOW. Sixty per cent of that is worsted. That would be 600,000 yards, would it not?

Mr. WALKER. Yes, sir.

Mr. WINSLOW. What number of yards out of the 400,000 yards remaining would be woollen with the virgin wool thread in them?

Mr. WALKER. Four hundred thousand yards? Eighty per cent of that would be 320,000 yards of shoddy fabrics and 80,000 yards of virgin wool fabrics.

Mr. WINSLOW. That would be 20 per cent, would it not, of the 40 per cent remaining, where we started?

Mr. WALKER. Yes; you are about right.

Mr. WINSLOW. I guess I am right.

Mr. WALKER. You are quicker than I am, Colonel.

Mr. WINSLOW. Now, that would give us 10 per cent of the remaining amount not made of worsted and not worsteds, made of virgin wool?

Mr. WALKER. Yes, sir.

Mr. WINSLOW. What do you think that amount was in percentage 10 years ago, roughly?

Mr. WALKER. Ten years ago?

Mr. WINSLOW. Yes.

Mr. WALKER. Shoddy has increased steadily. Shoddy has been increasing every year—the use of shoddy. I could not answer that.

Mr. WINSLOW. Now, if you only turned out 10 per cent of these cloths of the 40 per cent remaining which are virgin wool cloths, it would not seem as if that end of the manufacturing had developed very rapidly.

Mr. WALKER. There is nothing to develop about it. We can all do it.

Mr. WINSLOW. I mean in the eyes of the public; the trade has not increased at all.

Mr. WALKER. In the eyes of the public?

Mr. WINSLOW. Yes.

Mr. WALKER. That is why I state that the woollen manufacturers are not looking far enough ahead. The great cry all over this country is for better fabrics. I have been all over the United States, and have addressed convention after convention, not at my own solicitation in any case, all on the subject of unworthy fabrics. What is the cause of it? What is the reason for it? I would like, in that connection, to bring to your attention certain letters of retailers where they commend this legislation.

Mr. WINSLOW. I will accept them. I would like to follow these matters out, because I think they bear on the subject.

Mr. WALKER. Yes, sir.

Mr. WINSLOW. If your advertising of virgin wool cloths and as the result of the various associations, in favor of virgin wool cloths, it has come to pass after 10 or 20 years that you did not produce of that quality of goods over 3,000 yards out of a total of 1,000,000 yards that are used, it seems to me that the cry from the public must have been very light.

Mr. WALKER. Excuse me, Colonel; that has nothing to do with it. The demand this season is your answer to that. In the first place, when you state that we have been advertising virgin wool cloths all over the country, we have not done any consumer advertising at all. We have only done trade paper advertising. I will take Mr. Clark's statement so far as that is concerned. The trade do not want the cheaper fabrics. They can not sell them.

Mr. WINSLOW. Is that true solely of woolens, then? Is it not so of everything.

Mr. WALKER. I would not say it is so in everything. There is a certain fabric made by all manufacturers, that is, the plain weave fabric, which if it is properly made, made of the correct stock and properly manufactured, will give better service than any twill cloth, and it can be made cheaper than a twill cloth, and yet to-day the trade says, "No plain weaves." It is not fashion that dictates that. This condition has been caused by the poor satisfaction shoddy fabrics have given. The plain fabrics have been full of shoddy. You can not sell them. They say, "We do not want them."

Mr. WINSLOW. I think in normal times your point would be good; but in these times, when people kick on a \$5 article because it does not cost \$7.50, the logic is now sound. Everybody knows, who has had anything to do with trade and commerce, that the trade of the country has been revolutionized in respect to spending, and that the spending has been profligate, and that it has been running high regardless of everything except the capacity to spend money. Now, there would be the same development in cloth, I fancy, that there would be in everything else, right straight down the line.

Mr. WALKER. But I understand from the opponents of this measure that the public does not know anything about cloth; so that, why, on that principle, should not a man take a cheap cloth and price it away up, if he simply wants to spend his money?

Mr. WINSLOW. I think you could if you go on the basis that every merchant in the country is dishonest. I have never found it so, and I do not believe it is so. There may be a few here and there, but generally speaking the merchants of the country are honest; and I think as they go up in price they are pretty apt to advance the quality all the time. But as compared with previous days, they would get a higher price for the same article, grade for grade, all down the line. This is not dishonesty.

Mr. WALKER. I agree with you to an extent there; but how does the retailer know anything about cloth?

Mr. WINSLOW. I do not know whether he does or not.

Mr. WALKER. He does not.

Mr. WINSLOW. I am not arguing that just at the moment. I wanted to find out, if I could, whether or not during these years when virgin wool has come to be known as an article apart from all wool, the trade in virgin-wool production has materially increased.

Mr. WALKER. I can answer that more plainly this way. I know of one—well, I will not say two or three, but I do know of one—who was a shoddy manufacturer, who has changed over entirely to a virgin-wool basis.

I do not know the construction of the American Woolen Co.'s fabrics. I do not know whether they are showing more virgin-wool fabrics this season than others.

Mr. WHITMAN. I can possibly answer that. In this country for the last 20 years back there has been more and more worsted produced. The worsted looms of the country to-day are not quite, but nearly, double what they were 20 years ago. The woolen goods are less to-day than they were 10 years ago.

Mr. WALKER. Are we going to drive the woolen manufacturers out of business because of poor fabrics?

Mr. WHITMAN. Probably not; but the fact is that this country has become somewhat more familiar with the use of worsted goods, and owing to certain conditions in the decade between 1900 and 1910, a very large number of looms were thrown onto worsted goods. This country likes the worsteds, apparently. We wear very light goods in this country compared to what they wear in England. Our fabrics to-day run 12 to 14 ounces where they ran formerly 18 to 23 ounces, and the country, as I say, is more and more getting into the habit of using the lighter sort of goods, and a harder weave goods, besides worsteds. The country likes worsteds, and it is now practically going to the worsted fabrics.

Mr. WALKER. In connection with Mr. Whitman's statement, I would like to see the figures of the 1919 woolen production in the United States. I think those figures would surprise you. We have not got them. All we have is back to 1914, and I think you will be greatly surprised when you see those figures.

The CHAIRMAN. What will be the nature of the surprise?

Mr. WALKER. The increased production of woollens.

Mr. WINSLOW. Do you expect that those figures will segregate the cloth made for the military institutions of the country?

Mr. WALKER. I am talking of last year.

Mr. WINSLOW. Yes.

Mr. WALKER. Yes; I think they will. I hope so; if they are going to be of value.

Mr. WINSLOW. Now, you raised some question about the prices running down in bad times.

Mr. WALKER. Yes.

Mr. WINSLOW. Will you kindly make that point over again?

Mr. WALKER. In bad times in our industry there is no incentive to make good merchandise. We have to compete to-day on the basis of price. We have to compete with Mr. John Jones; he puts in 40 per cent shoddy. Then we will probably have to put in 50 per cent shoddy, and the next fellow puts in 60 per cent. There is no incentive to make good fabrics. If the public knew the difference virgin wool fabrics would then be competing with virgin wool fabrics. We would not have to lower our quality in any way, because there would be enough people in the country that would want pure virgin wool fabrics. The sheep industry would not go to the devil. The shoddy manufacturer would be doing business, and so would the virgin wool manufacturer.

Mr. WINSLOW. What is the most expensive cloth to make, one manufactured of all virgin wool, or one mixed with shoddy, from the manufacturer's point of view?

Mr. WALKER. That is too big a question. I could not answer you that. It all depends on the fabric.

Mr. WINSLOW. I will put it another way. I may not be intelligible from a manufacturer's point of view; I realize that. Assum-

ing you are making what you call first-class virgin wool cloth, on the one hand, and on the other hand making cloth of first-class virgin wool and first-class shoddy, for any style, type or grade that you may choose to illustrate by; which would cost the more to produce?

Mr. WALKER. The one made of all virgin wool?

Mr. WINSLOW. Are the facts in general now well enough established to tell the cost of that?

Mr. WALKER. The cost of it?

Mr. WINSLOW. That they cost more per yard?

Mr. WALKER. Most decidedly. If one fabric is an all wool virgin fabric, and another a fabric of virgin wool and shoddy, the same relative fabric—the comparative fabric—the shoddy mixed will be cheaper. You know, there is something here that I do not think anyone understands. You take a cheap fabric and say, "This is virgin wool"; and you then take another kind of fabric, and you say, "This is shoddy," and state that the shoddy fabric is a better fabric than the virgin wool fabric. I agree with that but you should take relative fabrics. When a man goes into a store to buy a suit of clothes, as the opponents of the legislation say, he has the style he wants in his mind. He wants either a rough piece of goods or a smooth piece of goods, or a soft piece of goods of the nature of a flannel. As an example he says he wants a rough piece of goods. The salesman shows him a suit made of 60 per cent virgin wool and 40 per cent shoddy. He says, "What is the price of that?" "\$50." He then says, "Now, show me the virgin wool suit." They bring him the virgin wool suit of the same character of fabric. They do not go and bring him a flannel or any other kind of goods but they bring him another piece of rough goods. It is marked, "virgin wool, \$70." "Good; I will take the substitute." If it wears him all right, he goes back and gets more of that same kind. It is the same in the flannel or anything else; that applies all the way down the line. The worsteds are out of it.

Mr. WINSLOW. I am going to ask you a question which I have here, for the assistance of one of the gentlemen who is not favoring the French bill. My purpose is to compare the manufacturing cost per yard, preferably on any given kind of cloth that you two agree can be compared, one having shoddy in it and the other being virgin wool. Now, my purpose is to get a comparison of the cost of production in the manufacturing.

Mr. CLARK. If I understand your question, Colonel, it is this: Suppose you were going to have two cloths, both weighing 16 ounces to the yard, one all virgin wool and the other 60 per cent virgin wool and 40 per cent reworked wool—

Mr. WINSLOW. And the same virgin wool used in each.

Mr. CLARK. And the same virgin wool and the same relative quality of reworked wool.

Mr. WINSLOW. Yes.

Mr. CLARK. The size of the yarn is to be just the same in both fabrics; the number of picks of the filling is to be the same in both fabrics; the number of threads per inch of the warp is to be the same in both fabrics. Your question is, in those fabrics made in precisely the same design and color and everything of that kind—

Mr. WINSLOW. Yes.

Mr. CLARK. Which would be the most costly to manufacture?

Mr. WINSLOW. Yes; and how much?

Mr. CLARK. The principal difference between the two would be in the cost of the original materials.

Mr. WINSLOW. That is what I am asking for, the manufacturing cost.

Mr. CLARK. Your question applies to the manufacturing cost?

Mr. WALKER. Oh!

Mr. WINSLOW. Yes.

Mr. CLARK. I think that the fabric with the shoddy in it would cost a trifle more—not very much more, but a little more—for the reason that I do not think the yarn with the shoddy in it would sell as well as the all virgin wool yarn, and therefore you might have to pay the spinner a little higher rate for spinning it. There would not be very much difference in the weaving of the goods. But if there was any difference to the manufacturer in cost, I would say that the one with shoddy in it would cost a trifle more.

Mr. WINSLOW. That would take the finishing and everything up to the completed goods?

Mr. CLARK. Up to the completed goods.

Mr. WINSLOW. That would be offset on the other side by the cost of the goods?

Mr. CLARK. No; the manufacturing cost.

Mr. WINSLOW. I just wanted to get the manufacturing cost to operate the mills and everything above, beyond the raw material. Do you agree to that, Mr. Walker?

Mr. WALKER. I think that is absolutely correct.

Mr. WINSLOW. There is no variation?

Mr. WALKER. I think there is no doubt about it.

Mr. WINSLOW. Assuming that the virgin wool is of the same quality and the cost is the same, what difference would there be in to-day's market between the raw materials in the two instances?

Mr. WALKER. It all depends on the grade of shoddy you are referring to and the grade of wool that you are referring to.

Mr. WINSLOW. Take the same quality in each case.

Mr. WALKER. Take 70 cent wool, \$1.40 clean, a pound, and take shoddy, about 30 cents a pound?

Mr. WINSLOW. What do you want to compare that with as to shoddy and wool, Mr. Clark?

Mr. CLARK. I do not think it makes any difference. You can take whatever proportions you want to.

Mr. WINSLOW. Mr. Walker, what do you assume would be your all virgin wool raw material as contrasting with the other?

Mr. CLARK. I did not catch that.

Mr. WINSLOW. I wanted to find out what it would cost for the raw material Mr. Walker purchased and what it would cost for the one you purchased.

Mr. CLARK. You mean that the cloth that Mr. Walker purchases is not a very high grade of wool?

Mr. WINSLOW. The very thing you are talking about.

You agree that the relative cost of the raw material when in hand would be about the same?

Mr. WALKER. Yes.

Mr. WINSLOW. Now, I want to know what the difference would be in the cost of the raw material in each case.

Mr. WALKER. It depends altogether on the quality of the raw material you select.

Mr. WINSLOW. I select the best of shoddy that can be used and the best of all virgin wool that can be used; the best in both cases.

Mr. WALKER. That is not fair to Mr. Clark.

Mr. CLARK. A fine grade of virgin wool costs to-day in the vicinity of \$1.90 a pound, and a high grade of shoddy that would be about the same grade of fiber as that, say like one of those samples I showed you the other day, my recollection of the cost of that is that it was about \$1.05. The record is there. So that, if I have quoted that shoddy correctly—and I think I have—you have got a difference of almost 100 per cent in the two values. That is to say, the wool was worth almost double in value what the shoddy was. So that, of course, you have got the difference between what you used, 60 per cent. In order to make it easy to figure, suppose the cost to be \$2 a pound. You have 60 per cent wool at \$2 a pound and 40 per cent of shoddy at \$1 a pound, which is 40 cents and \$1.20, and there you have a total value of \$1.60 for the material in the mixed wool and shoddy as against the total value of \$2 for the material in the all virgin wool goods.

Mr. WINSLOW. Do you agree to that?

Mr. WALKER. If there is such a thing as a \$1 shoddy.

Mr. CLARK. That is the shoddy, the best shoddy, I showed the other day. That is \$1.

Mr. WALKER. Would you mind telling what is the average price of shoddy in the woolen market?

Mr. CLARK. In those fabrics there is shoddy that runs up to 75 and 80 cents a pound, any quantity of it.

Mr. WALKER. I think it would be interesting to know what is the average price of shoddy in the woolen business to-day.

Mr. CLARK. There is no average price. A grade varies so that it would not be any use to speak about average price.

Mr. WALKER. Mr. Francis says that it is about 40 cents.

Mr. WINSLOW. Do you agree with that, that the average price of that material would be about 40 cents a pound?

Mr. CLARK. Not at all. You can use \$2 shoddy, and from that it runs all the way down in price. You have got to give the average price of wool as so much if Mr. Walker will agree to an average price.

Mr. WALKER. I suggest an average price for wool of 70 cents in the grease, \$1.40 cleaned, and then a price of shoddy at 40 cents.

Mr. CLARK. I would not agree at all that the average price of wool, cleaned, is \$1.40. I think it is materially higher than that. \$1.40 would only pay for about one-quarter or three-eighths blood wool, and the bulk of the wool is from \$1.85 to \$2.10 for domestic wools, and a good deal higher than that on Australians.

Mr. WALKER. I will accept Mr. Clark's statement of that, and then take an average of about 40 cents for shoddy in the market.

Mr. CLARK. You would not use 40-cent shoddy with \$2 wool. It has got to be a very different grade.

Mr. WALKER. That is what I was saying. I was trying to give you lower-priced wool.

Mr. WINSLOW. You are taking too much time on that. When you get them all made and come to the purchaser of the cloth, what would be the market price of the two cloths?

Mr. WALKER. What would be the market price of the two cloths?

Mr. WINSLOW. Yes.

Mr. WALKER. I do not know. We did not establish any basis on which to figure it.

Mr. WINSLOW. That is the reason I wanted to ask you this question.

Mr. WALKER. I could not tell you. We have not any costs to figure upon.

Mr. WINSLOW. It is easy enough to figure it. I can explain the confusion of the whole thing.

Mr. SIMS. Is it not a fact that relatively, compared with other products of the country, the wool-producing industry has been for several years and is now on the decline?

Mr. WALKER. No question about it.

Mr. SIMS. On the other hand, is it not a fact that there has been during this period a material increase in the use of shoddy?

Mr. WALKER. Yes.

Mr. SIMS. The tendencies under the present conditions are therefore to further reduce the use of virgin wool and further increase the use of shoddy without legislation?

Mr. WALKER. Yes.

Mr. SIMS. So that if this committee refuses to pass the French bill or any similar bill to accomplish the same purpose, it must be because the committee is of the opinion that a further reduction in the use of virgin wool and a further increase in the use of shoddy is for the public interest?

Mr. WALKER. I should say so.

Mr. SIMS. Is not that the natural conclusion to be drawn from such action?

Mr. WALKER. There is no doubt that that is the natural conclusion to be drawn from it.

Mr. SIMS. And logically, in view of the fact that no one knows just everything that might happen, we therefore not being able to forecast every possible incident growing out of it, ought we not to conclude not to pass any legislation at all? Is that not a fair deduction?

Mr. WALKER. It would seem so.

Mr. CLARK. I want to speak about these questions which Mr. Sims has just been asking about, as to the production of wool and the production of shoddy. We have figures showing the production of wool in this country, and they do show that in the last two years in Washington the production has increased 14,000,000 pounds per year.

Mr. SIMS. For the last two years?

Mr. CLARK. Yes.

Mr. SIMS. Take it for a period of 20 years. The last two years we have had war, and practically war conditions now; so far as wool fabric is concerned and everything else.

Mr. CLARK. Yes.

Mr. SIMS. Now, take the conditions. There seems to be no question that wool growing and sheep production have been relatively on the decline. I do not mean that there are not so many sheep now, but there are not so many as there should be in proportion to the increased demand for wool in the world, and of other products. Now, if wool has been decreasing and the use of shoddy is increasing, and

that is a satisfactory condition and one that is desirable to maintain the thing to do is not to pass the French bill or anything like it.

Mr. CLARK. What I would like to say is, we have figures as to the production of wool in this country, but we have no figures, until we get to a certain period, as to the consumption of shoddy.

Mr. WALKER. I am willing to accept Mr. Clark's statement that the use of shoddy has been increasing.

Mr. CLARK. I am rather inclined to think that it has been decreasing rather than increasing, but we have no figures, either one of us, to show which is right.

Mr. SIMS. Mr. Clark, let me ask you a question on this.

Mr. CLARK. Yes.

Mr. SIMS. You assume that the use of shoddy is or has been on the decrease.

Mr. CLARK. I will not say that, positively, but I will say it is just as liable to be that way as the other way.

Mr. SIMS. What is your honest opinion about it?

Mr. CLARK. My honest opinion is that it has not increased.

Mr. SIMS. Is it your honest opinion that it is on the decrease?

Mr. CLARK. Rather that way than the other way.

Mr. SIMS. Then are you in favor of continuing the decrease of the use of shoddy?

Mr. CLARK. Oh, not necessarily.

Mr. SIMS. If it has been to the public interest for it to decrease in the past, is it not to the public interest that it should continue to decrease?

Mr. CLARK. I think it is an economic necessity to use what shoddy may be produced to help out the production of wool.

Mr. SIMS. But if its use is on the decrease, and that decrease is to the public interest, why should we not encourage the production of material that will promote the further economic decrease of it?

Mr. CLARK. I have not admitted that it was to the public interest that the percentage of it should decrease.

Mr. SIMS. Then, do you claim that it would be to the public interest to have a further relative increase in the use of shoddy?

Mr. CLARK. No; not necessarily so.

Mr. SIMS. It seems to me that you are very much opposed to this bill, and I suppose you have some logical, public, patriotic interest to serve in being against it?

Mr. CLARK. The principal thing is that it will not do the consumer any good and will not give him any information.

Mr. SIMS. Inasmuch as the consumer believes that it will, why should we not give him a chance for his white alley once in a while?

Mr. CLARK. But he does not know anything about it.

Mr. SIMS. But if he assumes he does?

Mr. CLARK. Right on that point I would like to say that these resolutions that have been referred to here, passed by these wool-growers' associations and retail associations and farm organizations and one thing and another, and newspaper editorials, it is only natural that they should pass those resolutions, because this idea of a truth-in-fabric bill—the very name helps it along—is very plausible on its face. Almost anybody that does not know anything about it would say, "Oh, yes; that is a good thing. We ought to have that kind of

a law." Now, people will get that idea, and will pass those resolutions without having any definite information on the point and thinking that it is going to do them a lot of good, when in reality it will not do them a particle of good.

Mr. SIMS. Inasmuch as you admit that it will not hurt the manufacturer, why is it that the manufacturer is the only champion of the opposition to this bill, when it will not hurt him if the bill is passed?

Mr. CLARK. No; I say it is going to cause a good deal of trouble to the manufacturers; that it is going to increase to a certain extent the cost of the goods, which will of course be passed on to the consumer.

Mr. SIMS. That will not hurt the manufacturers any.

Mr. CLARK. I am willing to make the statement and stand by it from my experience as a manufacturer for the last 30 years, that it will be impossible to equip all the mills of this country—and they have got to be all equipped—to stamp the goods as this bill requires under three years' time; and you could not put the law into effect until every mill is equipped for the stamping of those goods.

Mr. SIMS. Now, the stamping is only to furnish evidence of what is in the fabric?

Mr. CLARK. Yes.

Mr. SIMS. If you prevent the use of shoddy by any means, in the place of virgin wool, you have already accomplished the purpose. Now, it certainly would not be a great deal of trouble or a very great cost to require the manufacturer to sell nothing as all-wool except that which is composed of all virgin wool; and it is left to him, entirely to his own choice, how to get rid of his shoddy or his reworked wool. Then the purchaser could get all wool and know that it was virgin wool.

The CHAIRMAN. How much more time do you want to take?

Mr. SIMS. Well, I do not like that. If any one is against this bill, you seem to be willing to give him all the time he wants, but if anybody tries to say anything in favor of the bill, you seem to think he is taking too much time.

The CHAIRMAN. That remark is entirely unjustified.

Mr. SIMS. I am one of a very few exceptions among those here who have asked a single solitary question in favor of this bill, therefore I think that I ought to have as much time in favor of it as others have to oppose it.

The CHAIRMAN. And you have had. How much more time do you want?

Mr. WALKER. I just want to offer some evidence. Mr. Clark made a statement as to what people want. I want to offer some evidence from retail clothing merchants. I offer the following quotations from letters received from clothing merchants from various parts of the United States.

(The quotations submitted by Mr. Walker are as follows:)

QUOTATIONS FROM LETTERS RECEIVED FROM CLOTHING MERCHANTS FROM VARIOUS PARTS OF THE UNITED STATES.

1. The mere wool label means nothing. Our experience during the past season has taught us that cotton clothing is preferable to some wool clothing.

2. We do not object to cotton goods as cotton, but we do object to shoddy being sold as all wool. Lately we have had goods sold to us that * * * while it was all

wool it was all shoddy wool. * * * The "woods" are full of just such stuff. The shoddy materials that are now being sold us are a disgrace to our civilization. It sure is the "day" of the shoddy man, and he is taking advantage of it.

3. If cloth has reworked wool or cotton in it, it should be so marked.

4. Unless the fabric manufacturer gives more attention to the materials he puts in the cloth, the time is not far distant when the retailer will find himself against a stone wall, because the cloth nowadays is so poor that he will not be able to face customers with truth as to wear durabilities. * * * Nothing is so unfortunate as not being able to speak the truth. The retailer will be out of business if conditions do not soon remedy.

5. Price being the great factor, we believe a fabric law the one solution.

6. There should be a law compelling fabric manufacturers to label their fabrics and to state what they contain, whether pure virgin wool, or percentage of substitute, shoddy, or cotton, so that the public would be protected * * * so that the public buying fabrics would know what they get.

7. We should work for the passage of law to control the woolen manufacturers, similar to our pure food laws.

8. We favor the adoption of the law that will require a label on all garments giving the percentage of wool, reworked wool, and cotton contained in such garment.

9. We believe fabric manufacturers should take steps to have law enacted to prevent labeling cloth containing shoddy as "all wool"—it is a menace to the clothing business and will eventually undermine the public's confidence.

10. * * * Pass a law requiring manufacturers and importers of wools to label every yard of cloth made or imported, either "Virgin wool" or "Reworked wool," as the case may be, also their name.

11. To insist on legislation that will prevent clothes being sold as all wool that contains shoddy or cotton.

12. Appeal to our law makers for definite fabric standards, and that each garment bear a label that will identify the cloth in the garment, so that the retailer and consumer will know exactly what he is buying.

13. It is my opinion that by law every manufacturer of cloth should be compelled to label clothes with a label giving the weight of cloth and per cent of wool. This label should be attached to each size ticket by the manufacturer of clothing. Also label the finished garment with fabric manufacturer's name.

14. The consumer is the last word, and if you do not give him value, the retailer suffers the most. If a law could be made and enforced against calling a thing "all wool" when it is not, you could protect the honest man in the clothing business.

15. By proper legislation, Government inspection and labeling of fabrics.

16. We believe the fabric manufacturer should have his label on the product he makes. We would favor a law compelling manufacturers to state on label what the product contains.

17. Yes; we favor a pure-wool law.

18. Put an exact label on the cloth showing the exact materials used and guaranteed in accordance. By telling the exact truth and back it, it always prevails. Tell the truth, the whole, and nothing but the truth all the time from the cloth manufacturer to the retailer and we will have the consumer boosting for you 365 days a year. To label his cloth "Wool" or "Part wool" and sell it accordingly.

19. It seems to us that if the mills were to give absolute information to the wholesaler, who, in turn, would convey it to the merchant, so that the latter would actually know what he is talking about, would seem to us a great advantage. Under present conditions he really does not know if this cloth is made of virgin wool, reworked wool, or cotton mixed and he is mighty apt to go on the plan of "hitting if it a bear, missing if it a calf," that is, if the customer comes back showing the cloth to have been poor wearing and not all wool; then he sidesteps it in some way the best he can. This is, of course, the result of ignorance in really not knowing what is in the fabric he is selling and we would most certainly welcome some method that would acquaint us of the makers name of the fabric and what the fabric is made of. Naturally, the little circle that we trot round in would preclude us from offering any advice as to how the thing can be worked out, but there is one thing sure, it would be a wonderful selling help to know just what there is in the fabric a fellow is trying to sell.

20. * * * We believe the best results could be obtained * * * by getting the various merchants to know the difference between clothes made from shoddy and virgin wool.

In conclusion, if the British marks merchandising act is so efficient on the other side, I would like to read you a letter that we received from London.

The impotency of the British marks merchandising act to protect the purchaser against shoddy profiteering which the unrevealed presence of substitutes for virgin wool permits, is illustrated by the following letter, received by a virgin wool fabric manufacturer in the United States from a man in England:

67 HAVERSTOCK HILL, *London, N. W.*

Want cloth for three suits and want to avoid shoddy by getting virgin wool. May I have a few samples of quiet color gray and brown for lounge suit, and price per yard? I have three sons in the United States who will do the rest when required.

Faithfully, yours,

ED CLULOW.

I want to call attention to a telegram handed to me at the Washington Hotel last night. It reads as follows:

NEW YORK, N. Y., *March 30, 1920.*

ALEXANDER WALKER,
Washington Hotel, Washington, D. C.

J. Coryell wires from Ithaca, N. Y., if you are attending hearing on pure-fabric bill, Albany, Wednesday, would like to meet you Teneyck Hotel Wednesday morning. State sheep breeders and federation of farm bureaus will support bill at hearing.

D. L. WEHLE.

I did not know that this bill was coming up. I had nothing to do with it.

**STATEMENT OF MR. ALFRED A. WHITMAN, CHAIRMAN OF
THE FABRIC LABELING COMMITTEE OF THE AMERICAN
ASSOCIATION OF WOOL AND WORSTED MANUFACTURERS.**

Mr. WHITMAN. Mr. Chairman, I would like for a moment to look back over the evidence presented to see what has been brought out which will justify the claim that the French bill will prevent swindling and profiteering by declaring the contents of textiles, as to new wool or shoddy. The claim that the bill will raise the price of wool and so benefit the wool-growing industry is evidently debatable, and even the sheep growers are willing to have the bill considered on its merits, as stated in the bill itself.

Repeated very general statements have been made that there has been a great deal of profiteering in clothing, but not a single bit of evidence has been brought out to indicate that manufacturers of cloth have in any single instance used shoddy in their clothes in order to deceive their customers nor that they have sold a yard of cloth containing shoddy at a price in excess of what that cloth was intrinsically worth. On the other hand, numerous instances have been cited of cases where clothing has been purchased from retailers, which clothes proved to be of poor wearing quality, and though in most cases where it has been possible to learn the price paid it has been shown that such prices were certainly not high compared with present price for good grade of clothing, the articles referred to have not worn well. In not one of these instances, however, has it been shown or even claimed with any evidence of proof that the garments in question contained any shoddy at all. In fact, in every instance where the suits in question were shown and examined they proved to be worsted and therefore could not contain shoddy, the fact that they wore badly being evidently on account of poor virgin fiber and poor construction. They were cheap goods. If these suits can be sold to-day at excessive prices to the harm of the purchaser how much easier would it be for the profiteering retailer to charge exorbitant prices for poor goods if they bore the label 100 per cent virgin wool.

The claim that shoddy is sold at virgin-wool prices is entirely unsupported by evidence, while it has been abundantly shown that shoddy is used in cloth for the purpose of producing whatever result in the finished cloth the particular kind of shoddy lends itself to in combination with various kinds of new wool. Not the least of these results is to produce cloths, chiefly overcoating and heavy goods, of low cost, which are actually sold by the manufacturers at low prices commensurate with their actual worth. Any excessive prices which are obtained by the retailer from the consumer are just as easy for him to obtain to-day for goods made of new wool as for goods containing shoddy, and if the unwarranted prejudice against shoddy is once established, as it would be by the French bill, goods marked 100 per cent virgin wool would unquestionably be seized upon by such unscrupulous retailers for such profiteering practices.

This answers Judge Sims's question as to why cloth manufacturers do not approve this plan. They know the facts which it is quite evident that the general consuming public does not, and in their ignorance they would grasp for the elusive straw labeled Truth in Fabrics, which will prove worse than useless.

What the buyer wants to know, and should know, is whether the cloth he buys is worth the price asked, whether he wants it for strength, wearing quality, warmth, or perhaps for the sole consideration of beauty or a passing fashion, and if it is possible to work out any plan of grading or markings upon a set of standards which will give this information the manufacturers will give it their hearty support and will join sincerely with the Bureau of Standards or any other body to bring about such a result which would be clearly in their own interest.

The evidence offered by the Bureau of Standards shows clearly that there is no test that they know of at present which will furnish such positive proof of the proportion of shoddy or even of the presence of shoddy as would be necessary for conviction, without which the French bill would soon become a farce.

The CHAIRMAN. I have invited Mr. Macdonald to make an analysis of the corresponding laws of other countries in these matters.

STATEMENT OF MR. M. Q. MACDONALD.

The CHAIRMAN. Mr. Macdonald, will you state your name and residence?

Mr. MACDONALD. M. Q. Macdonald, lawyer, 910 McLachlen Building, Washington.

Mr. Chairman, and gentlemen of the committee, I also appear in a dual capacity. I appear as a representative of the paint and the yarnish industries, merely to state their general position on the subject of misbranding. Like all progressive trade organizations, they have attempted to be ahead of legislation instead of behind it, and in 1913 the Paint Manufacturers' Association of the United States adopted a resolution reading as follows:

Resolved, That this association strongly deprecates any form of mislabeling.

Resolved, That the terms "lead" or "white lead" will be used by its members exclusively to designate the pure basic carbonate or basic sulphate of lead, or the two in combination; the terms "zinc," "zinc oxide," "oxide of zinc" or "zinc white"

only to designate pure zinc oxide; and the term "linseed oil" only to designate pure linseed oil.

Resolved also, That the members of this association will print upon the labels of their products the net weight or measure of the contents of the package.

Explanation: The terms defining zinc oxide are to be used only on oxides containing 99 per cent or more pure zinc oxide. Where a zinc oxide is reduced by the addition of inert reinforcing pigments, if the term "zinc," "zinc white," etc., is used, it shall be followed by the word "compound" in type of the same size.

Inasmuch as the Oil, Paint and Drug Reporter reflects the sentiment of the trade—I think in this matter it does pretty generally—I would like to call the attention of the committee to a short editorial appearing in the issue of March 29, 1920, received yesterday. In an editorial entitled "Philistines of commerce," it has this to say:

Self-preservation and the desire for possession are the most dominant characteristics of the human race. They are instincts as old as humanity itself. As man came down through the ages, he found through competition the expression of his desire for possession. It was then that deception entered, and from it has been evolved the long list of dishonest commercial practices that plague business to-day—practices that the Government, through the passage of laws and the functioning of the Federal Trade Commission, is seeking to eradicate from American business. Four bills, introduced respectively by Representatives Barkley, Rogers, French and Rainey, came in for extended hearings by the House Committee on Interstate and Foreign Commerce during the past week. All four involve the question of misbranding. The measures suggested by Congressmen Barkley and Rogers are general in their nature, proposing the prohibition of misbranding all classes of articles made or produced in the United States. Those introduced by Congressmen French and Rainey are the same in principle, but are not so broad in scope, being confined to wool and woolen goods. Legislation of the nature proposed in these bills has long been a necessity. We have long needed a law that would assist the Federal Trade Commission in its mission of purging American business of all unfair and dishonest practices. The sale or transportation of articles that have been misrepresented, misbranded or falsely described should be stopped. Regulation will seem unjust only to those who have occasion to feel the effects of such regulation. Honest business has nothing to fear.

A buyer has a right to know what he is buying. "Caveat emptor" should be banished forever from the vocabulary of commerce. Deceptive and misleading branding is not only unfair to the consumer, but it also wreaks havoc with the sale of products made by honest manufacturers. It casts its shadow upon the entire trade affected.

There are Philistines in every industry. Brothers all are the monopolists, the bribers, and the misbranders. Their tribe is legion. Of all commercial tricksters, none is so despicable as he who lies about the goods he sells. He would banish the spirit of fair play from American business. Selling materials that are inferior to samples, falsifying labels, making valueless an established trade-mark—these are acts that do not serve the best traditions of American manufacture.

Through fair dealing alone is one brought to a high and honorable position in the world of commerce. Any bill that has for its object the separation of the sheep from the goats in the business pasture will always find an adherent in the Reporter and the industries it represents. We are for the "square deal" in commerce, whether it be at home or abroad.

That very generally reflects the sentiment of the paint and varnish manufacturers.

I would like to attempt to answer some of the questions that have been raised during the hearing with reference to the misbranding laws in this country and abroad. I believe that it has been stated—and I do not wish to misquote anyone—that there are no compulsory branding laws in Great Britain. So far as that statement relates to wool, I believe that is true. So far as it relates to some other textiles, it is a little too broad. Among English statutes requiring the marking of particular articles are those relating to anchors and chains, food stuffs such as bread, margarine, coffee and chicory, small arms, gunpowder, hops, Irish and Scotch linen, gold and silver plate, watch cases, and imitation silver.

Some of these were enacted at a very early date, and are still in force.

The linen marking act (17 Geo. II, chap. 30, 1744) provides in part as follows:

Whereas certain stamps are required by law to be put upon linens made in Scotland and Ireland, the better to ascertain the quality of such manufactures; and whereas of late years there has been a practice to counterfeit such stamps, and affix the same to foreign linens, in order to vend them as the manufactures of Scotland and Ireland, to the gross deceit and imposition of the buyers and to the great discredit of the said manufactures, etc.

That merely shows that Great Britain does compel the marking of certain fabrics.

The law imposes a penalty for placing counterfeit stamps on foreign linens and packing and exposing them for sale.

This statute is apparently in force to-day. It is referred to in Halsbury's Laws of England, volume 27, page 726.

Eighteen Georges II, chapter 24 (1745), provides briefly that no bounty shall be paid on the exportation of any British or Irish linens, but on such only—

At both ends of every piece whereof the name and place of abode of the manufacturer or maker thereof, together with the year of our Lord wherein the said piece was manufactured or made; and also a number denoting the order in which such piece was so manufactured or made in such year, beginning with No. 1 and proceeding progressively, etc.

Provision is made also for the similar marking of pieces cut for the purpose of bleaching.

Five and 6 William, chapter 27, section 4 (1835), requires that—

Across each end of every piece of linen cloth sold or exposed for sale in open fair or market in Ireland there shall be woven two coarse threads or cords, distant from each other about one-fourth of an inch; and there shall be written with pen and ink close to such coarse threads or cords on each end, in legible characters, the Christian name, surname, and place of residence of the weaver or manufacturer thereof, and there shall be also written or marked upon the outside fold of every such piece of linen the length and breadth thereof, etc.

Other sections do not deal with compulsory marking but require for example, that linen shall be of equal thickness throughout and not merely thicker or finer in the selvage; and likewise prohibits glazing, pasting, etc., so as to deceive the buyer as to the quality, etc.

The anchors and chain cable act (62-63 Victoria, chap. 23, 1899) requires the testing and proving of chains exceeding 168 pounds in weight and affirmatively requires the application of a stamp by a licensed tester, to every anchor and every 5 fathoms of chain cable.

The board of trade licenses the official testers and fixes the fees to be charged. The standards are set forth in the statute.

Thirty-one and 32 Victoria, Chapter CXIII (1868), requires proving and marking of small arms and gun barrels, and provides for the punishment of those counterfeiting the marks.

Bread made for sale either wholly or partly of peas, beans, or any grain other than wheat must be marked with a large letter "M" in Roman character (3 Geo. IV, Chap. CVI, sec. 12, 1822; and 6 and 7 William IV, chap. 37, sec. 10, 1836).

This statute is apparently in force to-day.

"Margarine," as it is called in England, must be conspicuously marked. (See 15 Halsbury's Laws of England, 55, 57.)

Coffee mixtures must be put up in packages containing one-quarter of a pound or any number of quarters of a pound, so fixed that the package can not be opened without tearing or destroying the label or labels and so that every label, if more than one is affixed, shall be wholly or partially visible.

Coffee mixtures must bear labels denoting in letters of not less size than the largest letters on such label, the proper name of the several articles or substances of which the mixture is composed, but compliance with these requirements does not protect the seller against proceedings under the sale of food and drugs acts in respect to adulteration.

Weighting coffee by adding butter, lard, grease, water, or any other material whatever is a separate offense. (See 15 Halsbury's Laws of England, 63.)

Hop growers are required to put on every bag in large letters their names, the name of the parish and county in which the hops were grown, the year of growth, and the true gross weight of the bag.

False marking, and the failure to mark, is punished by a fine of £20. (Hop prevention of frauds act of 1866, 29 and 30 Victoria, chap. 37.)

Aside from the English merchandise marks act, these acts require affirmative marking. There are several others in England touching on cutlery, food, hand-woven linen damask, plate, and so forth.

In Canada, where they have practically duplicated the English merchandise marks act, they have a statute requiring the marking of binder twine (except that intended for export), with the number of feet per pound and the name of the manufacturer. (R. S., 1906, chap. 85, secs. 346-354, as amended 1914, chap. 10, p. 105.)

There is also an oleomargarine order in council, issued in February, 1920, under the oleomargarine act of 1919.

In Queensland there is a law prohibiting the mixing of any uncertified goods with goods marked or certified as to quality under the authority of any statute. (Stats. Vol. VIII, p. 7010.)

In Western Australia there is an act similar to the law in Queensland. (Stats. 1913, No. 28.)

In South Australia the erasure of brand marks from furniture is prohibited. (Stats. 1904, No. 856, secs. 2, 3, 9.)

In South Australia and likewise in New Zealand, shoes, if made partly of leather or imitation leather, must be stamped with a statement of the component materials. (South Australia, 1911-12, No. 1046; New Zealand, 1912, No. 43.) Those statutes, I believe, were referred to here the other day. I have no means of knowing how they have worked out as I have been unable to get any reports concerning these laws.

We hear much of the English merchandise marks act, and of course we know that similar acts have been passed in many of the British dominions, but I think that we are apt to forget that many of the British dominions are self-governing and do not have to adopt the laws of the mother country. Necessarily, when such colonial laws are passed, it is entirely voluntarily, and it is, you might say, a reflection of the public opinion of those countries. In this connection it is necessary to note that in addition to the English merchandise act of 1887, which was really a codification of laws beginning with the merchandise marks act of 1862, laws have been passed by the

Commonwealth of Australia (as distinguished from the individual States) and by the States of New South Wales, Queensland, South Australia, Tasmania, Victoria, Western Australia; likewise in Canada, New Zealand, India, the Bahamas, Barbados, Bermuda, British Guiana, British Honduras, British North Borneo, Cape of Good Hope, Ceylon, Cyprus, Falkland Islands, Fiji Islands, Gambia, Gibraltar, Gold Coast Colony, Grenada, Hong Kong, Isle of Man, Jamaica, Lagos, Leeward Islands, Mauritius, Natal, Newfoundland, St. Lucia, St. Vincent, Sierra Leone, Straits Settlements, Trinidad, and Tobago, and the Transvaal.

It will be seen that the United States is somewhat backward in such legislation.

There are other laws relating to the general subject of misbranding that are not as comprehensive as the English merchandise marks act, and yet all of them embrace one or more of the provisions of the English law, sometimes in somewhat similar language, and sometimes merely covering some of the same ground. For example, in Egypt, deception as to the "character" of any goods is prohibited by the penal code for mixed tribunals, and also by the penal code for native tribunals.

In France the law prohibits marks having characteristics apt to deceive purchasers as to the nature of the goods. Likewise it touches on false claims to patent rights.

There was an unfair competition law under consideration in Belgium in 1914, but of course action was suspended.

In Switzerland a federal statute and local laws in Zurich, Neuchatel and Aargau have attempted to reach some of these evils.

In Germany there is the trade-mark law of 1894, and the unfair competition law of 1909.

In Denmark there is the unfair competition law of 1912, and the penal code.

In Norway there is the penal code, and the trade-mark law of 1910.

In Greece and Turkey the law prohibits false statements concerning the quality of merchandise.

There is a fairly comprehensive law in Argentina and Peru.

I think that list includes substantially all of them. There are, however, some points of special interest in connection with the administration of the British merchandise marks act of 1887.

The British merchandise marks act of 1891 provides that the board of trade, with the concurrence of the lord chancellor, may make regulations providing that in cases appearing to the board to affect the general interests of the country, or of a section of the community, or of a trade, the prosecution of offenses under the merchandise marks act of 1887, shall be undertaken by the board of trade, and prescribing the conditions on which such prosecutions are to be so undertaken. The expense of such prosecutions so undertaken shall be paid out of moneys provided by Parliament.

A similar provision was later passed giving like power to the board of agriculture and fisheries with respect to acts coming under the jurisdiction of that board. (57-58 Victoria, chap. 19.)

Speaking as an individual and not in a representative capacity, it is my belief that centralized administration of such a law as this is very desirable in order to bring about uniformity of practice.

Moreover, individuals, as a rule, have no time and little inclination to prosecute competitors in a criminal case.

When an act is administered by centralized authority, you have a uniformity of trade practice that is very desirable—I might say, necessary.

Rules and regulations can be made to guide business men over the entire country, and they are not left in a situation where they must first construe the law themselves; where the court in one circuit construes the law in one way and in another circuit another way; where one jury convicts and another, on similar facts, acquits. After all, the very great majority of manufacturers and dealers do not misbrand willfully. It is usually the result of competitive pressure. So long as rules and regulations are established that will later be universally enforced, there is very little difficulty in getting an entire trade or industry to follow those rules; and in such a situation there are naturally very few prosecutions.

This practice seems to have been followed in England. It is true that there they have a general criminal law that in certain cases the board of trade can prosecute the offenders, and that the expenses of such prosecutions are paid by the Government; but it appears to be their practice to warn manufacturers violating the law, before instituting criminal proceedings. Thus, in 1913, it was decided that general inquiry should be made as to the wrappers and cartons in use by the butter manufacturers in the west of England. The occupiers of the factories were warned that if certain wrappers were applied to imported butter, or butter produced by blending imported butter and butter from local farms, such application would, in the opinion of the board, constitute, *prima facie*, the offense of applying a false trade description under the provisions of the merchandise marks act of 1887. Replies were received in three cases that the wrappers in question would be amended or that their use for butter of the character indicated discontinued.

During an inspection of one of the butter factories in Wales an inspector of the board found that blended butter was being packed in second-hand boxes marked "Irish creamery." The occupier was warned that this practice involved the application of a false trade description, and thus rendered him liable to proceedings under the merchandise marks act. On a subsequent inspection of the factory it was found that the practice had been discontinued. (See Annual Report of the Commercial Control Branch of the Board of Agriculture and Fisheries, 1913, pp. 16-17.)

In Australia the department of trade and customs administers the Commonwealth act, as distinguished from the State misbranding acts. In a pamphlet issued by Sir W. J. Lyne, entitled "Law Relating to Trade Descriptions of Imports and Exports," he makes the following statement:

In the administration of this act * * * there will be no disposition on the part of the department to make use of the powers conferred upon it in any way which would be detrimental to trade or to the interests of importers and exporters. (The Commonwealth act applies only to imports and exports.)

At the outset especially, every consideration will be shown, and so long as the objects sought to be obtained by Parliament are attained, as little inconvenience to traders will be occasioned as circumstances shall permit. Of course, it must be understood that in cases of an undoubted attempt to defeat the objects of the law, its provisions and penalties will be fully enforced, but it is confidently anticipated that such cases will be rare.

Before leaving this subject, I might add that the practice of warning dealers or manufacturers before instituting criminal proceedings appears to have been adopted in Mississippi, where a misbranding statute has recently been enacted.

There are some parts of the Barkley bill and of the Rogers bill that are particularly interesting, and I believe particularly important. One of them relates to false indications of origin. Of course, we are familiar with the tendency to buy goods that are marked "French," "English," "Japanese," etc., instead of buying American goods, believing, I suppose, that such goods must necessarily be better. That tendency, I presume, has led to the adoption of many false indications of origin. Laws relating to that particular evil are quite common. They are found in Germany, France, England, Egypt, Canada, Australia, Portugal, Netherlands, Switzerland, Austria, Denmark, Norway, Sweden, Greece, Bulgaria, Turkey, Brazil, Argentina, Peru, Spain, and in two sections of the laws of the United States.

Curiously enough, a section of the trade-mark act of 1905 prohibits the entry of merchandise bearing a name or mark calculated to induce the public to believe that the article is manufactured in the United States or in any foreign country other than the country or locality in which it is in fact manufactured. (33 U. S. Stats., 730.) That simply prohibits the entry of such merchandise. Now, that law works only in one direction. You might illustrate it by a case of this kind—no significance attaching by reason of my selection of this article of commerce—we will say it is Italian paper. It is imported, we will say, by one who specializes in the importation of very fine grades of foreign paper. He has built up a valuable good will. Now, so far as the laws of the United States are concerned, there is nothing to prevent a manufacturer in New York State, or anywhere else, from producing paper in that State and calling it "Italian hand-woven," or what-not, and engaging in competition with the importer of the genuine. In short, the law as it stands touches on the subject, but operates only in one direction, and it could easily operate to the detriment of the importer who complies with the law. He is restrained by the law, but he is not protected by it.

Section 4 of the act approved March 19, 1920 (Public, No. 163), is intended to correct this form of misbranding, but a right of action is given only to those firms, etc., doing business in the locality falsely indicated as that of origin. The injured dealer or importer is still without a remedy. There is, of course, a section of the food and drugs act of 1906 which prohibits the use of false indications of origin, but it is necessarily confined to food and drugs.

There is another interesting provision not found in the Barkley bill or in the Rogers bill. It is found in several foreign laws and covers false claims concerning the possessions of medals, awards, marks of distinction, etc. The use of this provision of the English law is illustrated by the case of *Batty v. Hill* (1 H. & M. Ch. Cases, 264), which arose out of the Exposition of 1862. It appears that the plaintiff, who manufactured pickles, was awarded a prize medal at the International Exposition of 1862 in England. Although he and one other exhibitor—not the defendant—were the only persons who obtained prizes, the defendant, Hill, caused labels to be prepared before any prizes were awarded, bearing the words "Prize Medal,

1862," and the moment the awards were made, issued his bottles bearing such labels and also placed those words upon the cases in which he exported his pickles.

The vice chancellor refused an injunction, saying:

On the question of balance of convenience I should be decidedly in favor of the plaintiff; the inconvenience to the defendant would be merely the necessity of telling the truth. It is, however, no part of the duty of this court to enforce the observance of the dictates of morality * * *.

That case accounted very largely for the passage of a special act a year or so later, which, however, was confined to the false claims of awards by that particular exposition. (Exhibition medals act, 1863, 26-27 Vict., Chap. 119.) During the debate on this bill it was stated that—

A monstrous system of fraud prevailed in regard to these medals, which ought to be checked without delay.

A somewhat similar case was decided by the Supreme Court of Georgia which denied an injunction to restrain the Domestic Sewing Machine Co. from publishing statements to the effect that the exhibition committee of the State Agricultural Society had reported that the Domestic was the best family machine, notwithstanding the fact that the Singer Co. had been awarded a diploma for exhibiting the best family machine and the best machine for manufacturing purposes. In this case the court said:

Equity, it must be remembered, will not enjoin every wrong. There are injuries done by one man to another which no law will remedy. Telling lies, unless those lies be of a peculiar character, is one of such injuries. * * * It is a perversion of language to say that the complainant has a property right in the truth of the report. He has, perhaps, a right to the report, but a perversion of the truth, a claim that it is different from what it in fact is, can in no fair sense be called an infringement of his right of property in the report. (49 Ga., 70, 72.)

Laws covering false claims to marks of distinction are found in England, in France, in Germany, Switzerland, Denmark, Norway, Russia, Greece, Bulgaria, Brazil, and Argentina.

It may have been the thought of the framers of the Barkley and Rogers bills that section 20 of the merchandise-marks act was inapplicable in this country, as American manufacturers naturally do not claim to operate under "royal warrants." The same evil, however, has been met in other countries where the laws have been extended to include false claims to medals and other marks of distinction. I have a very distinct recollection of hearing some manufacturers complain that certain competitors advertised very widely that they had taken the first prize at, say, the San Francisco Exposition, when as a matter of fact the prize that was awarded had no relation to the quality of the goods exhibited, the prize being given because that manufacturer had made the best-looking exhibit. Although it had nothing at all to do with the quality of the goods, they did advertise that they had taken the "prize" at, we will say, the San Francisco Exposition. I have heard of more than one case of that kind. Such statements contain all the vices of a half-told truth.

MR. WHITTIER. Mr. Chairman, if Mr. Macdonald will pardon a question—

MR. MACDONALD. Yes.

MR. WHITTIER. I am in entire sympathy with everything he has stated, and I want to point out to him the fourth paragraph of sec-

tion 5 of the Rogers bill, which seems to me to meet the point he has just made.

Mr. MACDONALD. Possibly I have overlooked that.

Mr. WHITTIER. That paragraph reads as follows:

Fourth. Or if there is published, issued, or circulated concerning, regarding, or in any manner pertaining to said article in any newspaper, magazine, book, pamphlet, circular, or other publication or advertisement any false, fraudulent, misleading, or deceptive words, statement, representation, symbol, design, device, or trade description as to any of the matters or things stipulated in the foregoing subsections of this section.

Mr. MACDONALD. What would the "foregoing subsection" relate to?

Mr. BARKLEY. That related to the definition of misbranding. That same section 5 is subsections 5 and 6 in my bill. The previous subsections referred to are those describing what constitutes misbranding.

Mr. MACDONALD. And that would cover a situation of this kind?

Mr. BARKLEY. The intention of this subsection is to relate back to all the definitions of misbranding and to punish any misstatement in any publication, magazine, or circular that is not attached to the article itself, but is written about it. Now, whether that would cover this objection or not, I do not know.

Mr. MACDONALD. Well, it may; it is doubtful.

Mr. BARKLEY. But I am frank to say that that was not the intention of that thing originally. If it is deemed proper to do so, it would be very easy to amend the description of misbranding so as to cover that.

Mr. MACDONALD. There is another section of the two bills—that is to say, of the Barkley bill and the Rogers bill—that is not found in the English act, and that is the section just referred to concerning false, fraudulent, misleading, or deceptive advertisements. Such laws have been passed quite generally by the States. They are found in New Jersey, Louisiana, Minnesota, District of Columbia, Rhode Island, Colorado, Indiana, Michigan, Missouri, Washington, California, Iowa, Kansas, Kentucky, Nebraska, Nevada, North Dakota, Ohio, Oregon, Wyoming, Alabama, Massachusetts, New York, North Carolina, Oklahoma, Tennessee, Virginia, West Virginia, Wisconsin, Connecticut, Illinois, Maryland, Pennsylvania, and South Dakota.

The CHAIRMAN. That is 34 States and the District of Columbia?

Mr. MACDONALD. I think it counts up 34 States and the District. The necessity for the use of the words "misleading or deceptive" in a statute of this kind was pointed out in an article appearing in *Printers' Ink* some time ago. [Reading:]

A simple, straight-out-and-out lie will find few defenders. Nobody is compelled to advertise his goods; if the truth will not serve him he can always keep silent. But there are, unfortunately, fraudulent advertisements which do not contain a single statement of fact which is wholly untrue. They do contain deceptive statements, but none which can be proved untrue * * *. It is important to include in the scope of the law those statements which are deceptive and misleading. The statute which omits either of those words is not an adequate law, for it can not reach the advertiser who makes statements with a double meaning, and it frequently will be found inadequate to check the dishonest use of trade terms and other words which mean entirely different things to different groups of people.

Last Friday, I believe it was, something was said about the application of this section to the publishers of newspapers. While I do

not think that this section as it is written would apply to the publishers, it of course would not be difficult to provide that the section should not apply to the publisher of a newspaper or magazine in which such advertisement appeared. This has been done in Colorado, Indiana, Michigan, Missouri, and Washington.

Mr. BARKLEY. This would apply, though, if the publisher of the magazine or circular happened to be—

Mr. MACDONALD. The manufacturer himself?

Mr. BARKLEY. Yes. It might apply to a mail-order house that gets out catalogues in which they have each article identified so that you can identify it in their establishment.

Mr. MACDONALD. A newspaper or magazine would be possibly quite broad enough.

Mr. BARKLEY. Yes.

Mr. MACDONALD. The same issue of *Printers' Ink* just referred to contains a brief extract from an opinion by Judge Aldrich of the Circuit Court of Appeals in the case of *Estes v. Ford*, 100 C. C. A., 250. He used some very forceful language.

In this case, which was based on unfair competition, Judge Aldrich observed that the first circuit court fully recognized that:

The idea that the members of the public are entitled to know what they are buying and that a purpose to create imitations or similitudes calculated in themselves to deceive, or making false characterizations calculated to deceive, amount to an imposition, and that when a deceptive article is purposely brought into competition with the genuine it amounts to unfair competition.

The whole trend of modern decision is in the direction of making it clear, whether in respect to food, drink, or wearing apparel, that placing adulterations and imitations upon the markets, with the purpose of deceiving members of the public who buy, as they do oftentimes upon casual inspection, into buying something for what it is not, is a business which is not countenanced by the law, and when with such deceptive purpose things are brought into situations of competition with the genuine that the competition is unfair. * * * Such rules of law are in a large sense based upon the idea that the public in its relation to business and business in its relation to the public, in respect to the necessary and useful articles of life and trade, ought to have such protection as results from fair competition.

A question was asked the other day about the prosecution of a dealer in the District of Columbia two or three years ago; whether it was under the common law or a statute. That, as I recall it, was the first case brought up under the new "false advertising" law in the District of Columbia. (Act of May 29, 1916.) That case, I believe, resulted in a fine and in a subsequent case there was an acquittal.

The CHAIRMAN. Was that one of the prosecutions of the Fair Trades League?

Mr. MACDONALD. That, I think, was a prosecution by the Fair Trades League, the Southwick case, if my memory serves me. There is one phase of this whole subject that may cause no little difficulty and that is, when you are trying to determine whether or not the description is deceptive, are you to accept the knowledge or understanding of the retailer or of the consumer? There are some names and some terms in trade fully understood by the retailer or dealer that are not at all understood by the consumer. For example, I understand that the retailers generally (I may be mistaken in this and I do not want to wrong anyone), that the retailers understand such terms as "natural wool," as used in regard to underwear, do not mean "all wool" but simply mean "part wool." On the other

hand, and I think I am right in saying this, the average purchaser or consumer who sees such advertising in the papers, or such labels on goods, naturally assumes that the term means "all wool." In determining whether or not a statute of this kind is applicable, you will have to determine what standard you are going to adopt; whether the retailer only should understand the term, or whether the consumer should also understand it.

In that connection there were two interesting English cases, one, *Meadows v. Catesby & Sons*, 107 L. T. Jo. 440, in 1899, where it was held by a metropolitan police magistrate, a false trade description to describe a mattress containing 60 or 70 per cent of jute or hemp as a "wool" mattress; and the Leicester case reported in the *London Times* of October 20, 1893. In the latter case the goods were marked and described as "natural wool" and it was held by the magistrates at Leicester to be an indication that the goods were all, or substantially all, woollen, notwithstanding the fact that an allegation was made that it was the custom to call cheap mixtures of cotton and a little wool "natural wool." We might very readily be confronted with some difficulty in this country unless we know what standard is going to be used. I can conceive of goods that are sold by one manufacturer to another manufacturer that are never intended for general public use, where buyer and seller both fully understand the trade terms. On the other hand if these goods are sold to the public through the retailers, the public may be deceived by reason of the fact that they do not understand the trade terms. Coming back to the "natural wool," I dislike to dwell on "wool," but it seems naturally to come into my mind—I can understand how the retailer, knowing that "natural wool" does not mean "all wool" may advertise the goods in the newspapers as "natural wool" and he feels quite justified in so advertising although he well knows that the public does not know that the goods are not "all wool." This simply illustrates the necessity of knowing in advance the standard or measure to be applied in such cases. In my opinion, if the ultimate consumer is to benefit by this legislation, the knowledge or understanding of the ordinary consumer, as distinguished from the dealer or expert buyer, must be the standard. In order to avoid any misinterpretation it might be well to cover this matter specifically in the law.

Another phase of the question that has occurred to me is the habits and intelligence of the consumer. In cases involving the passing off of goods the court will consider the intelligence with which the ordinary purchaser, buying with ordinary caution, will use in buying the article involved. Nims in his work on "Unfair Competition" refers to the average buyer as follows:

He is careless—yes, possibly, but if that is the way the average man buys that sort of goods, he may rightfully demand that the law protect him from deceit when he so purchases. There have been cases which have held that a buyer has a right to be careless. He certainly has a right to be careless where the article involved is sold at a very low price and is habitually bought by all with little or no inspection (p. 591).

For example; you never examine the label on a box of matches with the same degree of care you would if buying an article of much greater value; you simply pay your money and put the box in your pocket. Yet, here is a box of matches—"impregnated safety matches" which has on the bottom a Swedish word ("Sakerhets

Tandstickor") and then in small letters is "Made in Nippon." Now, I am sure that a great many people do not know where Nippon is, but they are quite familiar with the Swedish matches and know that Sweden produced good matches and they think they have a box of Swedish matches. Personally, I have a prejudice against Japanese matches and acquired that prejudice some time ago when I found these safety matches to be too safe. Many would not light at all and I do not want any more. I am quite satisfied with our American matches. Here is a box of matches made by the Diamond Match Co. which is stamped "Made in the U. S. A." Then, on the other hand, take the Swedish match; undoubtedly a fine match—Sweden acquired an enviable reputation in putting out and selling good matches, and during the war the Swedish manufacturers warned the public that they were not getting matches that were up to the Swedish standard. Here is a box with the warning: "War Quality." Then comes along this Japanese match with that Swedish word, the box marked in small letters "Made in Nippon," but sold, I would say, on the Swedish reputation. Nobody ever stops to look at the explanatory words because it is an article of very small value.

Some one, Dr. Alsberg, I believe, said something the other day to the effect that an act of this kind might lead to the adoption of many fanciful names which tell nothing in themselves. I think that is undoubtedly true, but I do not know that it is anything that can or should be prevented or that it does any great amount of harm. I am not a trade-mark or a patent lawyer, so I will not attempt to do more than to touch on the trade-mark law, but I believe that a trade-mark will not be granted for the use of a descriptive word. For example, on an oil that is intended to flow slowly they will not grant a trade-mark on the word "Slowflow." Now, with an act of this kind a manufacturer in seeking a trade-mark is confronted with this proposition; he can not take a descriptive name for a trade-mark, and under the Barkley or Rogers bill, he can not take a misdescriptive name, but still he wants a trade-mark and is going to seek something that will be neither a description nor a misdescription and the natural tendency will be to adopt a fanciful trade name that will tell nothing at all.

Touching on this trade-mark law, there is another proposition that is very interesting to me. There are probably trade-marks that are misdescriptive. I do not like to go back to wool, and in using wool as an illustration, I am not casting any aspersions on the wool manufacturers at all. I am merely using wool as a convenient example. If the trade-mark "Newool" is used on reworked wool, we will consider for the sake of argument that it is a misdescription and that it might, even as a trade-mark, be considered a violation of the Barkley bill. How does the manufacturer stand? He has had the privilege granted by laws of the United States to use that name and to exclude all others from the use of that name, and then he is confronted with another statute which declares that he must not use any name that is a misdescription.

Now, does the Barkley bill or the Rogers bill prohibit the use of that trade-mark? I do not know. If it does not, then the man who already has a trade-mark that is a misdescription has an advantage over the manufacturer who has not yet secured his trade-mark. In England, I think, they get over that difficulty by expunging such

marks from the trade-mark record. The English trade-mark law permits the court to order a deceptive trade-mark expunged from the register. For example, in 1893 a case was brought before Justice Chitty, where it appeared that one Charles John Hill, of Coventry, had registered as a trade-mark the words "Forrest" and "London" with the design of a small tree placed between the words. It further appeared that up to 1871 one John Forrest of London was engaged in business as a watchmaker; that Hill had no connection with Forrest and apparently no business in London. The respondent introduced evidence to show that the Coventry watchmakers had been in the habit for years past of putting the words "Forrest" and "London" on watches manufactured by them in Coventry, although their names were not Forrest, although they had no connection with Forrest, and although they had no business in London or any special connection there. The respondent's counsel attempted to show that the applicant himself was so tainted with fraud that the application should be denied. To this suggestion Justice Chitty replied:

The merits or demerits of the applicant, I think, are irrelevant to the question I have to decide.

Continuing, he said:

I state in my opinion that directly it is apparent that any part of the trade-mark is calculated to deceive it is the duty of the court to order it to be removed. As a result of the evidence I have no hesitation in saying that these words "Forrest" and "London" are calculated to deceive, and, in discharging my duty, I go on to say that they were intended to deceive, and further that the use by the respondent shows that he has been using them for the purpose of deception. * * * It seems to me that the proper course in such a case as this, is to strike out the whole of the obnoxious thing.

The mark was accordingly removed from the register, although it had been registered in 1883 and this proceeding was not brought until 1892 or 1893. (In *re Hill's Trade-Mark*, 10 R. P. C., 113, 1893.)

Section 11 of the English trade-mark act of 1905 provides as follows:

It shall not be lawful to register as a trade-mark or part of a trade-mark any matter, the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

This embodies the substance of sections 73 and 86 of the act of 1883.

Injunctions to protect false trade-marks have frequently been refused because of false representations made by the complainants with respect to their own product. In one such case, 135 N. Y. 24, the court observed that:

Although the false article is as good as the true one, the privilege of deceiving the public, even for their own benefit, is not a legitimate subject of commerce.

This observation was cited with approval by Mr. Justice Shiras in *Worden & Co. v. California Fig Syrup Co.*, 187 U. S. 517, 529. In this case the use of the term "Syrup of Figs" as one of the means to induce the public falsely to believe that fig juice is an important element in the composition of such preparation was held to involve such deceit and misrepresentation as to deprive the manufacturer of equitable relief against the sale of another preparation named,

marked, and packed in imitation of the older medicine. Mr. Justice Shiras said:

It is true it may be a harmless humbug to palm off upon the public as sirup of figs what is sirup of senna, but it is nevertheless of such a character that a court of equity will not encourage it by extending any relief to the person who seeks to protect a business which has grown out of, and is dependent upon, such deceit.

It will be seen that the purchasing public obtained no benefit whatever from this decision; it merely had a little more competition in the sale of a misbranded article. Instead of protecting the public, it simply put upon the public two manufacturers who might sell as sirup of figs something which was not sirup of figs. Compare the result of that decision with the result of the Hill Trade Mark case in England where the deceptive mark was ordered expunged from the register.

Such situations have not infrequently been brought to light in this country. As I stated before, an injunction was refused in one such case in New York. In another New York case the court observed:

If the sales made by the plaintiff and his firm are effected, or sought to be, by misrepresentation and falsehood, they can not be listened to when they complain that, by the fraudulent rivalry of others, their own fraudulent profits are diminished. An exclusive privilege for deceiving the public is assuredly not one that a court of equity can be required to aid or sanction. To do so would be to forfeit its name and character. (13 How. Pr. 385.)

I believe that the remedy does not go far enough, as it falls short of protecting the public and encourages more deceit of the character objected to by the court. The public merely receives the doubtful benefits resulting from the "fraudulent rivalry."

There are a number of State laws touching on misbranding but they are far from uniform, as a matter of fact there is no uniformity. Certain State laws prohibit the false marking of goods with respect to number, quantity, quality, weight, measure, place of manufacture, etc. Such laws are found in the States of New York, Pennsylvania, Tennessee, Iowa, Kentucky, and, I believe, in New Jersey, but there are comparatively few laws that relate to all products. One of them, a very fair example, is Carroll's Kentucky Statutes, 1915, section 1280. The New York Penal Code provides, briefly, that any person who shall with intent to defraud put upon an article of merchandise any false description or other indication of or respecting the kind, number, quantity, weight, or measure of such article, or any part thereof, or the place or country where it was manufactured or produced, or the quality or grade of any such article, if the quality or grade thereof is required by law to be marked, branded, or otherwise indicated, shall be guilty of a misdemeanor. Other State laws relate merely to particular articles or merchandise, such as silver plate, dry goods, collars and cuffs, linseed oil, turpentine, paint, lime, hay, tobacco, matches, twine, leather, shoes, mattresses, etc. The citations to most of these laws may be found in "Trust Laws and Unfair Competition."

The other day a member of the committee asked whether an article would be misbranded if it should happen to be better than the article it was represented to be. That would be an offense under the English law.

Mr. BARKLEY. You mean if the article itself is better than the description?

Mr. MACDONALD. So long as it is a false description, it is a violation of the law. The materiality of a false trade description under the English law can not be made dependent on a "doctrine of equivalents." If an article such as machine-made cigarettes is sold under the description "Guaranteed Hand-Made," the false description will not cease to be material because the article sold was as good as, or better than, that asked for by the purchaser. See *Kirshenboim v. Salmon & Gluckstein* (1898), 2 Q. B. 19, and *Cohen, Weenen & Co.'s case*, *London Times*, May 3, 1899.

In last week's *Saturday Evening Post* there appeared an advertisement of Armstrong's linoleum in which it was stated that "Genuine linoleum is made of powdered cork, wood flour, and oxidized linseed oil, pressed on burlap." That is an echo of the old linoleum controversy, a controversy that finally went through the New Jersey Federal Court, that is, the Federal Court of New Jersey, and was referred by that court to the Federal Trade Commission. The commission after a careful investigation found that linoleum is a product such as that described in this advertisement.

Here also is an advertisement of James H. Rhodes & Co. wherein it is stated that—

The "Colossus" label on a bale of sponges means that every sponge in the bale is not only uniform in size and true to grade, but is a pure sponge—free from such impurities as glucose or Epsom salts, often put into sponges to add weight and deceive the buyer.

The practice of loading sponges with glucose or Epsom salts is somewhat similar to the practice prohibited by the English coffee and chicory act, and by the Irish linen act previously referred to. It is somewhat doubtful whether such a practice is covered or intended to be covered by the Barkley bill or the Rogers bill.

A number of manufacturers who consider misbranding objectionable and probably an unfair method of competition within the meaning of section 5 of the Federal Trade Commission act have called my attention to the fact that this section does not in itself furnish a definite standard or definition of misbranding. Under such circumstances I have advised them to keep their labels and advertising matter within the four corners of the Barkley bill, being confident that if they did so they would never be charged with misbranding, considered as an unfair method of competition. In the absence of more definite statutory guidance in this matter, the paint and varnish industries have been advised of the substantive provisions of the Barkley bill. It has been pointed out that this bill combines many of the best features of the merchandise marks act and the Federal food and drugs act. That in itself is certainly an advantage as in close or doubtful cases there are available not only the decisions of the courts, but the regulations of the Department of Agriculture applicable to similar problems arising under the food and drugs act. I keep a complete file of these regulations and bulletins and have found them very helpful.

Mr. Davies, who appeared before the committee this morning, referred to the results already accomplished by the Federal Trade Commission in the matter of misbranding, and to the advisability of requiring the commission to administer the civil provisions of any misbranding statute that may be passed. He has probably brought out this point more clearly than I would have done, and this subject

having been covered by Mr. Davies, I will merely say that I am personally quite in accord with his views. It was suggested that in any such matters the commission should possibly be directed to cooperate with other departments having expert knowledge of the subject matter of the inquiry. This, of course, would do no harm, but I may say that it is the practice now followed by the commission. I recall very distinctly that when I was an attorney and examiner on the commission's staff, I had a number of very helpful conferences with experts in the Department of Agriculture and I recall their courtesy and their willingness to cooperate. The Bureau of Standards has always rendered invaluable assistance and is frequently called upon to assist in determining technical questions.

My experience with manufacturers justifies the conclusion that the great bulk of misbranding is due, not to any inherent dishonesty or intent to deceive, but to competitive pressure and sometimes to the mere failure to give the matter any serious thought. They are usually not only willing but anxious to correct abuses in their own industries. The only obstacle in the way of success is the fact that sometimes a few competitors are less scrupulous or are indifferent, refusing to act until compelled by law.

If it is the purpose to achieve the maximum results with the least possible inconvenience to trade and industry I believe it can best be accomplished by passing a law such as the Barkley or Rogers bill, which provides a skeleton or framework to be filled in by administrative regulations designed to meet varying conditions. A law of this kind is more flexible than a purely criminal statute. Those affected by the law would not then be obliged to construe it at their peril. The law and such regulations would afford a sufficient guide for those who desire guidance and uniformity of practice. The refusal to comply with such regulations might well be made a criminal offense after a reasonable opportunity had been given for compliance. I believe that in dealing with a practice of this kind—largely the outgrowth of competitive pressure—it is preferable to give the industries a reasonable opportunity to correct an abuse and to follow the regulations. Comparatively few criminal prosecutions would be necessary and there is less danger of the manufacturers and the public being confronted with conflicting judicial interpretations of the law.

It might be objected by some that this would be an unconstitutional delegation of legislative power. I do not think that it would be. A law such as outlined in the Barkley and Rogers bills is admirably adapted to such treatment. A case in point is *United States v. Grimaud* (220 U. S. 506). Congress passed laws for the protection of forest reserves, authorizing the Secretary of Agriculture to formulate rules and regulations, and a violation of such regulations was made a crime. It was held that legislative power had not been delegated. As pointed out by Mr. Justice Lamar:

The Secretary of Agriculture could not make rules and regulations for any and every purpose. * * * As to those here involved, they all relate to matters clearly indicated and authorized by Congress. The subjects as to which the Secretary can regulate are defined. * * * A violation of reasonable rules regulating the use and occupancy of the property is made a crime, not by the Secretary, but by Congress. The statute, not the Secretary, fixes the penalty. (P. 522.)

In connecting the work of the Federal Trade Commission with criminal legislation I would suggest the passage of a bill such as the

Barkley or the Rogers bill, not as an amendment to section 5 of the Federal Trade Commission act, but as supplementary legislation, designed to reach a particular evil by resort to the criminal laws when, but only when, it becomes necessary to protect the purchasing public. Section 5 of the Federal Trade Commission act prohibiting the use of "unfair methods of competition" deals with the competitive aspect of trade practices. The commission has worked out some of these problems for the paint and varnish industries. The pending bills, which would incidentally afford protection to manufacturers and merchants who do not misbrand, are, I assume, intended more for the protection of the purchasing public. At least that is the purpose of the English legislation upon which these bills were modeled. Thus, in *Lemy v. Watson* (32 R. P. C. 508, 513), the court said: "The act was passed for the purpose of protecting the public and insuring that they should get the articles demanded and expected." The same opinion was expressed by Lord Chief Justice Reading.

For the information of the committee I might say that if they are interested in the interpretation of the merchandise marks act they will find the following authorities useful: Safford's Law of Merchandise Marks, Sebastian on Trade-Marks, Kerly on Merchandise Marks, and the Australian Law Relating to Trade Description of Imports and Exports, published under the supervision of Sir W. J. Lyne, Minister of State for Trade and Customs (Sydney, 1906). The only available copy of the latter publication that I know of is found in the library of the Bureau of Foreign and Domestic Commerce.

MR. WHITTIER. Do I understand you to say that your organization prefers the Barkley bill to the Rogers bill?

MR. MACDONALD. No, sir.

THE CHAIRMAN. Are there any further witnesses to be heard? I believe Mr. Whittier desires to say something here.

STATEMENT OF MR. EDMOND A. WHITTIER, SECRETARY-TREASURER OF THE AMERICAN FAIR TRADE LEAGUE, NEW YORK CITY.

MR. WHITTIER. Mr. Chairman and gentlemen of the committee, the American Fair Trade League, for whom I appear, was organized some years ago for the promotion and maintenance of honest merchandising conditions, and therefore these misbranding bills which the committee is considering are of great interest to us and we have given close consideration to them. It is past the committee's usual adjournment hour, and I will simply present one thought in supplement to Mr. Davies's statement this morning. There is no question, so far as our work is concerned, as to our preference for the Rogers bill; the Barkley bill is an excellent bill, so far as it goes, but the Rogers bill is very much more comprehensive. The Rogers bill will cover many forms of dishonest advertising; it covers in one section the very prevalent matter of comparative price advertising, and in our efforts we have found that there is no business practice, no advertising method of any character, that affects the public more injuriously or more broadly than untruthful comparative price advertising, the advertising, as you all probably know, of an article with a claim of its "regular" value in connection with a special bargain price. In 90 per cent of this sort of advertising the claims are absolutely erroneous. The Rogers bill in subdivision F of sec-

tion 6 seems to cover that effectually; it includes, as a prohibited trade description, any false statement as to the former and present values as to the amount of reduction in price.

Now, if this bill accomplished nothing more than the elimination of that general misleading practice in advertising it would be well worth the labor of its passage. The Barkley bill is confined to misbranding and, as I stated before, it is an excellent bill as far as it goes. But the Rogers bill, which I do not understand to be in any way an alternative proposition to the French bill, is much broader and will aid us greatly in our work for the elimination of dishonest advertising practices. We earnestly recommend legislation along the lines of the Rogers bill, but are in favor of centralizing the administration of the act, preferably by the Federal Trade Commission, so that enforcement will not be cumbersome. Administration of the act by the three secretaries or the Federal Trade Commission solely, however, would make a cumbersome method of handling many cases as they continually come up in our work; for instance, I will mention two typical cases, one in Pittsburgh, where a Pittsburgh house advertised B. V. D. underwear at a cut price; they had none in stock, and the underwear they delivered by mail and over the counter simply had a red label similar to that of the B. V. D. Co., but was marked M. H. P. A permanent injunction was secured against the defendant in this case, and under the Pennsylvania law \$1,200 penalty was collected, the Pennsylvania law providing a fine of \$200 for each sale under false representation. It is the most effective of all the State laws.

In another case in Chicago, a concern that did a wide mail-order business advertised and offered writing paper described as the old and well-known product of a mill which did not exist. Now, with these two cases, if it were necessary to come to Washington and present the facts, under such rules as the secretaries of the departments might prescribe, it possibly would require months to accomplish results, and my personal feeling is that the public interest would be greatly served by having the machinery of the bill provide, as Mr. Rogers has done in section 12 of his bill, for making of complaints by the injured party, in these cases the Eaton, Crane & Pike Co. or the B. V. D. Co., directly and independently to the local Federal district attorney and let the evidence be submitted to the Federal grand jury in that district, and on that decision action should be brought. Of course, the procedure of using the Bureau of Standards could be complied with, in fact. In the work of the league we have used the Bureau of Standards in all cases where it was available and convenient. I believe that with machinery provided so that quick action could be secured the Rogers bill would be highly effective—almost an ideal bill—and would eliminate nine-tenths of prevalent misrepresentation and misbranding and a large proportion of dishonest advertising under the prohibition of false comparative price quotations.

MR. BARKLEY. Do you mean that in the bill introduced by Mr. Rogers it would be possible for the manufacturer to have a retail price to the retailer?

MR. WHITTIER. Not at all, Mr. Barkley; I referred to subdivision F of section 6 of the Rogers bill, which defines, as a "trade description," for the purposes of the act, any statement "as to the former and present market value or the amount of reduction in price."

That is to say, this provision prohibits false statements as to the former or present market values.

Mr. BARKLEY. Would that have any effect on the ability of men to mark their goods down in price if they saw fit to do so?

Mr. WHITTIER. I can not see that it possibly could; it simply refers to misstatement of facts.

Mr. BARKLEY. Practically all clothing stores, hat stores, shoe stores, and general merchandise stores have what they call "annual sales," in which they mark down goods from the prices at which sold in the rush season, and I was wondering if this would have any effect on such a thing as that.

Mr. WHITTIER. Not if they told the truth in their markings.

Mr. BARKLEY. In other words, if they had a tag or a label on it stating that it formerly sold for \$75 and was now marked to \$40, whereas it had only sold originally for \$50.

Mr. WHITTIER. Exactly; and that is to-day the greatest evil in advertising.

The CHAIRMAN. Is there any further testimony to be offered or any more witnesses to be heard?

Mr. WHITTIER. I had prepared a summary which I would like to place with the record in this case.

Mr. FRENCH. I also have an analysis that I desire to submit.

The CHAIRMAN. Do you want it placed in at the end of your testimony, or at the end of the entire case?

Mr. FRENCH. I think it would fit in better as a summing up; there are places where the bill I introduced should be amended, and I have the amendments to assist in the summing up. I want to take this opportunity, not only on my own behalf but for all the people interested in truthful advertising, to thank the members of this committee for their courteous consideration of this question.

Mr. CLARK. On behalf of those who oppose the French bill I want to present our appreciation and thanks to the committee for their courtesy in these hearings.

The CHAIRMAN. The committee has been very much interested in the testimony that has been presented.

Mr. BARKLEY. Mr. Chairman, I want to have the privilege at some time, for the purposes of the record, to make a statement with respect to this subject of misbranding. I want to make that statement not only as applying to my bill, but on the general subject and also wish to make the statement not as a member of this committee but simply as one interested in the subject.

The CHAIRMAN. I think that can be done and ought to be done in the near future.

Mr. BARKLEY. Any time that the committee is ready to hear me I will make such a statement.

(The committee thereupon adjourned until 10.30 a. m., Thursday, April 1.)

STATEMENT SUBMITTED BY REPRESENTATIVE BURTON L. FRENCH.

Mr. Chairman and gentlemen of the committee, I was glad to hear Mr. Whittier tell you that there was no rivalry between the Barkley and Rogers bills, on the one side, and the truth-in-fabric measure upon the other.

They stand for different propositions, and as I outlined in my first statement to the committee some 10 days ago, the Barkley and Rogers bills pertain to misbranding and provide for suitable penalties against the wrongful branding of certain articles in interstate trade, but they do not require branding; the truth-in-fabric measure, however, affirmatively requires branding in the woolen fabric business and provides suitable penalties for violation of the law. I want the committee to keep this matter thoroughly in mind and to realize that the bills cover separate and distinct matters, that they are not in conflict, and that as Mr. Whittier has said, they are not in rivalry. More than that, what we seek through the passage of the truth-in-fabric bill will not be accomplished by the passage of either the Barkley or the Rogers bill.

PROPOSED AMENDMENTS.

I have never assumed that the truth-in-fabric bill is perfect in every detail. The proponents of the measure are aiming to correct certain definite evils that exist and hope that the measure in the large sense will meet satisfactorily the evils that have become so great that they constitute an enormous scandal at the present time. I have listened closely to practically every word that has been spoken to the committee during the nine days' hearings by those who have urged the truth-in-fabric measure and by those who have opposed it.

There are a few amendments that I would suggest to meet certain criticisms that I believe are well grounded:

1. Amend the title of the bill (H. R. 11641) by striking out the words "state or".

2. Consider as an amendment to the title of the bill, line 1, the words "unfair prices" in lieu of the word "profiteering".

3. Amend section 2, page 2, line 1, by striking out the words "state or".

(The foregoing amendment I called your attention to when I made my opening statement.)

4. Amend page 7, section 8, line 1, by inserting after the word "countries" where it appears the second time in such line, a comma and the words "of yarn purporting to contain wool, or".

(It is advisable that this insertion be made to give the same jurisdiction over yarn manufacturers as is exercised over garment manufacturers in the way of barring from interstate commerce yarn as well as garments made by manufacturers who have no registration number.)

5. Amend section 9 so as to indicate whether the percentage of wool or other ingredients shall be upon the basis of yardage or by weight.

6. Amend section 9, page 8, so as to permit the information touching marking or labeling to be furnished in such manner as will be most practicable, in compact form or in a line or in such other form as may be provided by rules and regulations.

7. Amend page 8, section 9, line 7, by inserting the word "virgin" after the word "contains".

8. Amend page 9, section 10, line 12, by striking out the period and inserting a semicolon and the following:

"Provided, however, That nothing herein shall be construed as requiring a garment manufacturer to place any label or tag on the finished garment to designate the contents of linings or trimmings of the garment."

(The foregoing amendment will remove the criticism directed against the stamping or marking of linings and trimmings.)

9. Consider as an alternative provision touching the shipment of articles coming under the act to foreign countries, the provisions of the pure food and drugs act under which the act would be sufficiently complied with, providing the shipment were ordered by a purchaser in a foreign country and met the legal requirements of such foreign country.

10. Amend page 12, line 17, by inserting a comma after the word "spun"; also amend page 12, line 22, by inserting a comma after the word "spun".

11. Amend page 13, section 14, line 3, by inserting after the words "silk fiber" a comma, and the following words, "the product of silk worm,".

12. Amend section 19 by providing that the act shall go into effect six months or eight months following approval of the same.

IS THE MEASURE PRACTICABLE?

Opponents of the measure have urged that it is not practicable for three reasons:

1. Because of the difficulties of marking and tagging.
2. Because of the expense.
3. Because of administration and enforcement.

PRACTICABILITY OF MARKING.

1. Practical manufacturers advise the committee that the marking and tagging provisions are practicable. (See testimony of Alexander Walker and George D. Briggs, both of whom are engaged in the manufacture of woolen fabrics.)

2. The practicability of marking is evidenced by testimony of Brown and Marston, representing manufacturers prepared to furnish devices for marking or tagging.

3. Numerous American manufacturers to-day brand or tag their goods so as to show their trade name or trade-mark.

4. Approximately 30 British manufacturers mark their goods in approximately the method provided in the bill.

EXPENSE.

1. To manufacturers: (a) On the matter of expense, proponents of the bill have advised the committee that it will cost approximately one-fifth of a cent per yard of cloth—less than 1 cent on the cloth in a suit of clothes. (b) The testimony of Brown and Marston is conclusive that the expense would be comparatively small.

2. To the Government: (a) The expense to the Government would be exceedingly small in comparison with the service rendered. (b) The measure would be largely self-enforcing for the following considerations: (1) Generally speaking, most manufacturers are

honest. (2) Trade rivalries. (3) The critical activity of the public and institutions organized such as clean advertising associations, fair trade leagues, etc.

ADMINISTRATION AND ENFORCEMENT.

1. The administration and enforcement of the measure would be simple. The measure provides for Federal inspection of manufacturing plants, books, processes and products of concerns coming under the law.

2. The number of concerns interested in the business is relatively small.

3. The registration system provided would furnish the Government information as to persons coming under the law at all times.

Again, the general honesty of most manufacturers and merchants, business rivalries, trade and consumers organizations, would be most helpful assurance that the law would be administered.

Further than this, touching the question from the standpoint of practicability, expense and enforcement, the same criticisms that are made to the truth-in-fabric measure were directed against the pure food and drug act, the oleomargarine law, the insecticide act, the meat inspection measure, the act establishing the United States Trade Commission, laws that we have passed providing for collection of income and excess profit taxes and other measures of similar character, and in all instances it has been demonstrated that American efficiency easily solved the problem.

THE WORDS "VIRGIN WOOL" ARE NOT COVERED BY TRADE-MARK.

The assertion has been made that the words "virgin wool" are covered by trade-mark of some manufacturer of virgin wool clothing and that therefore it would be impossible for the Congress to enact a law that would do the general public any good requiring the use of these words.

I do not know where this criticism had its origin, but it has been raised by some who are antagonistic to the bill, truth in fabric.

I had planned to meet the question fully, but Mr. Alexander Walker has made it unnecessary by showing to you that under the general laws of the United States such words could not be covered by trade-mark.

I beg to say further, however, that when the matter was called to my attention some weeks ago I took it to the Patent Office and was advised as follows: First, that the words are not covered by trade-mark and, second, that the words under the law could not be covered by trade-mark.

So much for the trade-mark criticism.

MR. RAINEY'S OBJECTION.

Mr. Rainey has told the committee that the bill he has introduced is quite similar to the bill that I have introduced—the truth-in-fabric measure—with the exception of the provisions defining with much precision how the measure shall be administered. Mr. Rainey criticizes the truth-in-fabric measure because of these provisions and feels that it would place a heavy burden upon the Government.

I submit that Mr. Rainey answers his own criticism when he says that his bill is similar to mine with the exception of the administration provisions, and then assures you that his bill will be practically self-enforcing, because the common honesty of manufacturers, trade rivalries, and organizations that exist to protect advertisers and consumers will see to it that the law is obeyed.

I submit that the argument that Mr. Rainey holds good touching the enforcement of the bill he has introduced is sound, and I submit that the same argument is sound touching the truth-in-fabric measure.

I have provided the additional means for the administration and enforcement of the law that I think should be helpful. The committee should remember that the Congress is at all times in control of the purse strings of the Government, and it may grant liberal appropriations or small appropriations for the administration of laws as in its judgment from time to time conditions seem to warrant.

THE BRITISH MERCHANDISE-MARKS ACT; THE BARKLEY AND ROGERS BILLS.

It has been urged that the Barkley and Rogers bills, or either of them, would afford the public adequate protection sought for in the truth-in-fabric measure. It has been urged that the British merchandise-marks act has afforded the British public this protection for 30 years.

I beg to say in response that the British merchandise-marks act has not furnished the British public protection for 30 years, save only as to those articles that the manufacturers or producers chose to mark or brand. The British law requires that if the articles shall be branded, the brand shall tell the truth. That is the same provision that is found in the Barkley and Rogers bills.

I am in favor of the principle of these bills, but as I said at the beginning, the truth-in-fabric measure is not in conflict with these measures and the passage of either of them would not furnish the adequate relief touching the situation to which the truth-in-fabric measure pertains. No manufacturer would need to brand or mark his goods or his clothing to show what the contents might be. Verbal assurances to dealers and by dealers to the consuming public would be quite difficult to establish and would be thoroughly impracticable; or again, the fabric manufacturer could brand or mark shoddy clothing as all-wool and tell the truth, providing the shoddy had been manufactured from woolen rags and discarded garments from which the cotton had been carbonized and the woolen contents preserved.

THE FEDERAL TRADE COMMISSION INCAPABLE OF MEETING THE SITUATION.

The question has been raised whether or not the wrongs perpetrated upon the public by the sale of shoddy as all-wool—people understanding the term all-wool to mean virgin wool—could be corrected by the Federal Trade Commission act.

This is a matter to which I gave very careful attention before I introduced the bill. I satisfied myself that the Federal Trade Commission law does not and can not meet the situation. The premises

are not the premises that must be assumed in order that the Federal Trade Commission may have jurisdiction. "All-wool" is a phrase that may include virgin wool, upon the one hand, or shoddy that has been used time and time again, upon the other. The manufacturer who uses wool shoddy and who advertises his products as fabrics that are all wool, or pure wool, is certainly not misstating the facts, notwithstanding the general impression throughout the country that all-wool or pure wool means virgin wool.

IS THE INFORMATION WORTH WHILE?

It is urged that the information that could be furnished the public under the truth-in-fabric measure is not such information as would be worth while, that it would lull the consuming public into security, that some shoddy is better than some virgin wool and that the measure does not propose to furnish the public information as to quality.

I freely recognize that some shoddy is better than some virgin wool and consequently some shoddy fabrics are better than some virgin wool fabrics. The proponents of the measure conceded that from the beginning.

We have also not attempted to provide a quality test.

I deny, however, that the informatoin is not worth while and that the measure is calculated to lull the public into security.

Let us consider some of the other laws that the Government has passed looking to the correction of trade abuses:

OLEOMARGARINE LAW.

Some years ago, we found it necessary to pass an oleomargarine law to protect the public and prevent its being imposed upon by oleomargarine producers who sought to palm off their oleomargarine under the name of butter. The same arguments were made against that measure that are made against the truth-in-fabric measure. Members of the committee and Congress were told that the measure would not provide a quality test, that some oleomargarine was better than some butter, and that the measure would lull the public into security, and that no information that was worth while would be furnished.

Let us see to what extent the experience of the public under the law confirms the criticism.

Unquestionably there is oleomargarine that is better than much butter. Oleomargarine may be perfectly healthful, perfectly pure and sanitary, it may be perfectly palatable. The purchaser wants to know, however—and it is his right to know—whether it is oleomargarine or butter, but the purchaser is not lulled into security by knowing that butter is marked butter and oleomargarine marked oleomargarine. The purchaser knows that there are various kinds of butter. However, he is given certain information to begin with. He, at least, knows that that which is offered as butter is not another kind of animal or vegetable fat.

But the purchaser must look further than that.

Consider, if you please, butter made in a dairy that is unsanitary, where the cows are kept in filthy stables, where those who feed them and milk them are themselves filthy and dirty. Consider further

that sometimes these same persons, without changing their garments, after the milking is over, enter the dairy and engage in butter making. Consider further that the premises are unclean, and that the product of the dairy, from the simple statements that I have made, must necessarily be repulsive. Yet the product is butter.

Consider again the dairy where the stables are clean, where the cattle are well taken care of, where the milking is done under sanitary conditions, where those who make the butter are clad in the whitest aprons and where, with clean hands and clean utensils, the butter product is prepared for the market.

Why, there can be no contrast, it would seem, that could draw wider conditions touching a food commodity than I have drawn touching the food commodity produced by the first dairy and by the second dairy, yet the products of both dairies pass as butter. They are butter and they are not oleomargarine.

I submit that the public is not misled; the public is not lulled into security because the butter is branded butter. Rather the public is discriminating and when it has a chance to obtain information, it makes use of it. That chance has been furnished in the butter business, but it has not been furnished in the clothing business.

THE PURE FOOD AND DRUGS ACT.

Again, the opponents of the pure food and drugs act opposed the passage of the measure for the very reasons assigned by opponents of the truth-in-fabric measure. They said that it would not furnish the public with information worth while; they said that it would lull the public into security. That was false. They said that no quality test would be furnished and they said that many products would be better than other products, but that they would be under the odium if they were disposed of under their own name.

I submit that the years that have passed since the pure food and drugs act was enacted meet the proposition so sufficiently that you could scarcely find a Member of Congress who would vote for the repeal of that measure.

TOMATOES AND THE PURE FOOD ACT.

Now, let us see what the pure food and drugs act does. Here are three cans of tomatoes. Here is one can that is marked 15 cents; a second that is marked 20 cents; a third that is marked 25 cents. The cans are of the same size and they bear a serial number under the pure food and drugs act. The housewife has no means of knowing whether the contents of the 25 cent can are better than the contents of the 15 cent can. She purchases a 15-cent can. She finds that the can is full. She pours the contents into a dish for it to aerate. She also purchases a 20-cent can and a 25-cent can, and she does the same by both of these. She discovers that the 25-cent can is full, not of water or of juice and tomatoes, but is full of fine luscious tomatoes, with the minimum amount of juice. She finds that the 20-cent can contains good tomato fiber, but that the tomatoes are broken. She finds that the 15-cent can contains about one-half the quantity of tomato pulp that either of the other cans contains, and that the rest of the can is filled with tomato juice or water.

This is an experiment that my wife has tried and she told me that she could get, by buying the 25-cent can, approximately as much as if she had purchased two 15-cents cans and the quality would unquestionably be better.

Does the pure food and drug act suggest anything to the housewife touching quality—touching the conditions of the tomatoes other than what is professed to be shown? I submit that it does not.

OLIVE OIL AND THE PURE FOOD ACT.

Take another illustration. Here are two bottles of olive oil, each of them bearing a serial number under the pure food and drugs act. One of them is offered for sale by the merchant at 50 cents; the other one of the same size is offered for sale at \$1.50; there is nothing to tell the purchaser of the quality of the two bottles of oil. The purchaser does not ask it. There is no provision under the pure food and drug act by which it shall be done. Here, however, is a bottle of cottonseed oil. It is marked \$1. There are many housewives who prefer cotton seed oil to olive oil, but they want to know what they buy. The housewife does not ask that under the pure food and drugs act she be told the quality of the 50-cent olive oil or the \$1 olive oil, or the \$1.50 olive oil. She does ask that she be given information that will enable her to know whether she is buying cottonseed oil or olive oil, and beyond that she is prepared to make her own deductions as to quality, and if a merchant puts off on her a 50-cent grade of olive oil for \$1.50 the merchant will not get her trade the next time.

COFFEE AND COFFEE SUBSTITUTES AND THE PURE FOOD AND DRUGS ACT.

Let me make another illustration. Here are several brands of coffee. Here is a brand marked 20 cents per pound; here is another marked 90 cents per pound. Both brands are sold under the pure food and drugs act and the cans containing the same both bear the proper serial numbers. Is the housewife led to believe that the 20 cents per pound coffee is as good as the 90 cents per pound coffee? Not at all. But she does know that that which is offered to her for 20 cents is coffee, and that it is not a combination of coffee, chicory, and parched barley that she used to buy in the name of coffee before the passage of the pure food and drugs act. Why, I have no doubt that that last concoction that I have mentioned, made up of a part high-grade coffee with a part of chicory and a part of barley, would be more palatable, more wholesome, and more desirable from every standpoint than the coffee that might be made from the 20 cents per pound brand. Yet the housewife wants to reserve to herself the right to buy the mixture of coffee and birdseed or to buy pure coffee, and she is not lulled into security by the fact that the 20-cent coffee and the 90-cent coffee are both sold under the pure food and drugs act.

OLD AND NEW AUTOMOBILE TIRES.

Or again, under the Federal Trade Commission law a dealer may not sell a remanufactured automobile tire as a new tire. I have no doubt that a rebuilt or remanufactured automobile tire that has been

remanufactured from one of the best tires that had seen service and that had been badly worn, would be far better than a new tire of some particular brands. Nevertheless, the dealer may not sell the remanufactured tire as a new tire. He must sell it for what it is; namely, a rebuilt or remanufactured tire. The purchaser, when he buys a new tire, is not lulled into security by the consciousness that the tire that he is purchasing is new and therefore better than the rebuilt tire. Rather he is given just that much information—that the tire is not rebuilt, but that it is new. He soon learns the relative value of the different brands of tires and he buys accordingly.

B. V. D.'s.

Again, the Federal Trade Commission act protects a man when he purchases a suit of B. V. D.'s. A merchant may not sell him a suit of M. M. V.'s as B. V. D.'s. The M. M. V.'s may or may not be better. That is not the point. The purchaser wants to choose and has a right to choose which he shall or shall not buy and if he asks for B. V. D.'s the merchant should sell him what he calls for and not push off onto him the M. M. V.'s. The law protects him to this extent, but it does not attempt to tell him of the relative merits of B. V. D.'s and M. M. V.'s.

APPLICATION OF FOREGOING TO TRUTH-IN-FABRIC MEASURE.

Now let us get back to the "truth-in-fabric" measure. The people would be told under the measure the contents of the fabric containing wool. They would be told the percentage of virgin wool, of shoddy, of cotton, of silk, or of the several combinations of which wool was one. They would not be told of the relative merit of the articles, but I submit that the information that they would be furnished, as applied to woollen goods, is approximately the same information that the public is furnished as to oleomargarine and butter, as to various foods and drugs under the pure food and drug act, and as to various commodities under the Federal Trade Commission act or the insecticide act. The public must be given credit for having intelligence. It is no reflection upon the public that it can not see into a can of tomatoes and know whether tomatoes are within the can or whether the can is filled with turnips or squash. The public merely asks to be assured that tomato cans be filled with tomatoes, that olive oil bottles be filled with olive oil, that cottonseed oil bottles be filled with cottonseed oil, that butter packages be filled with butter, and they ask that they be furnished the very information touching fabrics made in part of wool.

I grant freely that some shoddy is better than some wool, but I submit that the public will soon learn to discriminate and that it will choose wisely. Under the present circumstances manufacturers themselves have told you that often it is impossible for them to ascertain whether or not an article contains shoddy or virgin wool. Mr. Goodall, a fabric manufacturer, told you that he always buys worsted, which, by the way, we understand contains essentially nothing but virgin wool. Mr. Clark, another manufacturer, told you that before he purchases a suit of clothes, he takes a sample of it to his chemist and has an analysis made. Gentlemen, if Mr. Clark, a manufacturer,

is so suspicious of all goods and knows what he must do, are not the people entitled to some protection when they go to purchase articles made in part of wool? Most people do not have chemists to advise with when they purchase a suit of clothes.

Is the information worth while? I submit that it is. Here is a man—Dr. Wilson—who testified before you and he exhibited his overcoat that he has worn for 15 years and that was purchased at a cost of \$80. You have been told that it contains some shoddy. Well, I will venture that when Dr. Wilson goes to purchase another overcoat, if the merchant can show him a coat of the same kind of cloth as that which has worn him so well, he won't care whether the brand on the garment reads "Shoddy—100 per cent" or not. If the price is right he will purchase the overcoat.

Another man will present himself to purchase a suit of clothes. He will say that he wants one like the suit that he is dressed in as he goes to his tailor. The tailor tells him, "But that suit of yours is 50 per cent shoddy and 50 per cent virgin wool." The customer has been in the sad delusion during the time that he has worn the suit that it was virgin wool. He now discovers that instead of its being virgin wool it is part shoddy. But it has worn him well and he will purchase another suit just like it and he will intelligently understand just what his suit is. Another customer will report that he does not want a suit like the suit that he has been wearing. He will tell the tailor or the merchant that he thought it was all wool. The tailor or the merchant will tell him that it is all wool, but he will say, "My friend, it is all-wool shoddy." He will discard that type of suit or of cloth entering into the suit, and he will purchase a suit, that will satisfy his ideals.

Now, gentlemen, the people are merely asking for the information that they asked for when the oleomargarine law was passed, and that they asked for when the pure-food and drug act was passed. They want to reserve to themselves the right to pick and choose. They may be surprised when they check up on the garments that they now have to find that garments that they thought were shoddy are not so but in fact a poor quality of virgin wool. But these things will soon bring about an education on the part of the public and it will soon learn to discriminate, and more than that, with the manufacturer's or dealer's brand upon each commodity, the manufacturer or dealer himself will see to it that the customer will get just as good a bargain as he can get for the money that he pays.

WHY CLOTHES ARE SO HIGH.

I have here an analysis that I now desire to present to the committee showing why clothes are so high.

The analysis has been prepared by others and is so illuminating that I want to call it to your attention. It shows how the fabric manufacturer, by failing to tell the wholesale merchant to whom he sells the fabric that the fabric contains shoddy, is able to secure from wholesale cloth merchant the unjust price of \$15 for an all-wool woolen suit length of 3½ yards containing 80 per cent of shoddy, which, because it contains 80 per cent of shoddy instead of being all virgin wool, the fabric manufacturer could have profitably sold for \$10 and for which the wholesale cloth merchant would not have paid more than \$10 had he known that the cloth was 80 per cent of shoddy.

The table also shows how, without any profiteering on the part of the wholesale cloth merchant or the retail merchant, the unjust price of \$5 charged by the fabric manufacturer more than doubles by the time the public is reached.

Please note that the same percentage of markup, 60 per cent, is used in the case of both basic prices on which computations are made, namely: (1) The fabric manufacturer's price of \$10, which is the legitimate price he should have charged the wholesaler; (2) \$15, the unjust price, which he was able to secure only because he permitted the wholesaler to believe the fabric was made exclusively of virgin wool.

Price at which suit length could have been profitably sold by fabric manufacturer to wholesale cloth merchant.....	\$10.00		\$15.00	Unjust price which fabric manufacturer was able to secure from the wholesale cloth merchant, only because he permitted the wholesale cloth merchant to believe he was purchasing a fabric made exclusively of virgin wool.
As an example—if normal and legitimate markup of wholesale cloth merchant were.....	60%			
	6.00		60%	As an example—if normal and legitimate markup of wholesale cloth merchant was 60 per cent.
	10.00			
Wholesale cloth merchant's price to retail custom tailor.....	16.00		9.00	
As an example—if retail custom tailor's normal and legitimate percentage of markup were....	60%		15.00	
	9.60			24.00 Wholesale cloth merchant's price to retail custom tailor.
	16.00			60% As an example—if retail custom tailor's normal and legitimate percentage of markup were 60 per cent.
Retail custom tailor's legitimate price to the public.	25.60		14.40	
			24.00	
				38.40 Retail custom tailor's price to the public made necessary by the \$5 excess and unjust price of fabric manufacturer.
				25.60 Retail custom tailor's legitimate price, possible only because the initial charge—the fabric manufacturer's charge was just.
				12.80 Excess and unjust price to consumer that has resulted from initial overcharge by the fabric manufacturer of \$5, an overcharge that has forced both wholesale cloth merchant and retail custom tailor to become a party to an unjust price, but without the slightest advantage either to wholesale cloth merchant or to the retail custom tailor.
				5.00 Fabric manufacturer's excess and unjust charge.
				7.80 Excess and unjust price that naturally accrues during process of distribution.

One of the recent means by which the American people have been defrauded is through the sale of Manchuria beans as the American kidney beans. The price of the American kidney bean on the market is approximately twice the price of the Manchuria bean. The beans, however, look alike. I assume that the Manchuria bean is nutritious, that it is palatable, and that sold under its true name it would make a very desirable commodity for the American household. That is not the proposition. The Manchuria bean is not sold as the Manchuria bean. It is sold as the American kidney bean and the people, not being able readily to distinguish the difference, are being charged American kidney bean prices for a bean that is worth only one-half as much. I believe the Federal Trade Commission has it in its power to-day to stop that particular abuse.

The abuse is identical and the fraud is but a trifle when compared with the abuse and fraud perpetrated upon the American people by selling shoddy clothing as all-wool clothing and with the people thinking they are purchasing virgin wool clothing. Millions of dollars are unquestionably paid by the consuming public for clothing under the guise of all wool which the people assume to be virgin wool and which as a matter of fact is nothing other than shoddy.

Surely this is an evil that should be righted at once by a nationwide law and the American public furnished the protection that it demands.

ABSURD CONCLUSIONS.

Opponents of the truth-in-fabric measure have said that if we pass this bill there is no limit to the extent to which the Federal Government must go in similar legislation in order to be consistent. Gentlemen who raise that question evidently forget that this legislation is not new. Rather it is similar to the legislation that I have just noted pertaining to oleomargarine and butter, the pure food and drug act, the insecticide law, the Federal Trade Commission act, and other measures of similar character.

The foregoing laws were passed because grave conditions had arisen which demanded their enactment. The passage of the truth-in-fabric measure is to meet certain other grave conditions that have arisen, but the passage of this measure does not mean that the Congress will legislate as to trivial matters and will pass laws merely to furnish public annoyance. The idea does not do credit to those who suggest it and does not reflect credit upon the great legislative body of a great Nation.

In this connection you will be interested in the evolution of two economic practices in two highly civilized countries. I was talking this question over with Hon. Victor Murdock, of the Federal Trade Commission, and am indebted to him for this interesting bit of information. He called my attention to the fact that with the breaking away of the people of France from the feudal system and with the shaping of a country in counterdistinction from a multitude of loosely connected feudal States, the common Government came to exercise something of a function calculated to protect the people within its jurisdiction. In France there developed the doctrine of implied warranty. This meant not only that the money that was tendered in payment must not be counterfeit but that it must be genuine, and the death penalty was provided against the counterfeiter; but the

doctrine of implied warranty also carried with it the theory that the goods themselves offered for sale must be true to the representations that were made as to them; that is, purchaser and seller alike were understood to give warranties. The purchaser warranted the coin as genuine while the seller warranted the goods as genuine.

In England a different theory in part prevailed from about the same period. The guaranty as to money and its genuineness was the same as in France, but for a long time there was no guaranty touching the commodity offered for sale, excepting, I assume, when the object of the sale was real estate or real property. The doctrine of caveat emptor prevailed. Now this doctrine was calculated to make shrewd traders of the British, for if the Government did not protect them in their purchases they had to protect themselves, and so naturally became shrewd traders. In spite, however, of this general rule at some time about the Elizabethan period, an exception was made, and meat, when offered for sale, had to be true to representations that were made. I understand that since that period various other exceptions have been made and according to the British marks act of 1887, which itself was the successor of numerous other acts, it was provided that all articles that were purported to be guaranteed should be true to guaranty. Still, however, the principle of caveat emptor applied in Great Britain as to commodities not-guaranteed or stamped, while in France the doctrine of implied warranty prevailed.

The people of the United States naturally followed the example of Great Britain. We spoke their language, we adopted their common law, we adopted in structure largely their form of government; the very rules of the House we speak of as "parliamentary procedure," although we have no Parliament but rather a Congress—the word "parliamentary" being borrowed from Great Britain.

And so the doctrine of caveat emptor has largely prevailed in our own country. However, with the development of industrialism, with purchasers far removed from the original producers, with the multiplicity of devices for the production of foods or drugs or clothing and the resultant fact that it is quite impossible for the ordinary purchaser to know the contents of various commodities purchased, it has been found necessary to modify this rule of caveat emptor from time to time. It has always been done to meet a crying need on the part of the people. It was done when the oleomargarine law was passed; it was done when the pure food and drug act was passed; it was done when the insecticide law was enacted; it was done when the Federal Trade Commission law was passed, and the same conditions with different application are now crying for the passage of a truth-in-fabric measure. A hundred years ago the people did not use automobile tires and therefore there was no need for a law such as the Federal Trade Commission law under which it would be impossible for a manufacturer to sell remanufactured tires as new tires. Now, however, the automobile is a common necessity of modern life and the people found that they must be protected against frauds that were being perpetrated upon them.

In the clothing business a hundred years ago with the then appliances, the people were practically assured that every garment that they purchased, if it purported to be made of wool, was indeed made of virgin wool. Devices for using discarded materials that are

common to-day did not exist. Modern processes, however, have changed the whole aspect of the case and to-day the very manufacturers of woolen fabrics tell you that in many instances it is not possible by our modern processes to distinguish clearly in fabrics the false from the genuine.

Then I submit that a condition has developed as to the fabric business that calls for special attention, and it must be met by the passage of some such measure as truth-in-fabric. But, gentlemen, this does not mean that the flood gates are to be opened for trivial legislation touching a multitude of matters concerning trade. Opponents of the truth-in-fabric bill say, "But these matters are similar in principle." The opponents, however, fail to say that as to the multitude of questions to which they point that are similar in principle, opportunities for abuse do not exist, or at least if they do exist are so trivial and inconsequential that the people are not asking for a general law to furnish them protection.

IS THERE PROFITEERING.

The other day opponents of the bill told you that it was not true that shoddy clothing sells at virgin wool prices. I told you in my opening statement that such was the fact and that there is profiteering, and in spite of the contradiction that was made I again reaffirm my statement. Mr. Winslow recalled the conflict of testimony, and asked for further information. In answer to that I will say that if shoddy fabrics sell at virgin wool prices when the fabrics are not as good as fabrics of virgin wool at the same prices, then there is profiteering.

Now, what is a profiteer? "A profiteer is a man who by force of his industrial position can exact unfair prices from the public." That is the short definition made by John R. Turner, the dean of the department of economics of New York University. I believe that it is correct.

As to the difficulty the consuming public is laboring under in the matter of distinguishing shoddy wool fabrics from virgin wool fabrics, let me quote you a couple of sentences from the volume by Prof. Paul H. Nystrom, of the University of Wisconsin, from a very valuable work on textiles, published in 1916. Prof. Nystrom says:

It seems that some sort of regulation should be adopted to prevent the frequent injustice of selling shoddy for new wool, for it is very difficult and in some cases practically impossible to distinguish shoddy from new wool except in the wear. Dealers and consumers need to insist on getting what they pay for. Shoddy is all right at shoddy prices, but not at the price of new high-grade wool.

You will see from the statement that I have just quoted how difficult it is for the public to recognize shoddy fabric, and how this eminent authority has no doubt that shoddy is being sold at virgin wool prices.

Now, let me cite you to the National Industrial Conference Board's report upon the increased cost of living between July, 1914, and November, 1919. This report develops the fact that there was an increased cost in clothing during that time of more than 40 per cent in excess of the increase in the cost of any other necessity of life.

Again, let me cite you to the words used in *Successful Farming*, published at Des Moines, Iowa, in the issue of January 20, 1920—a

paper, by the way, whose publisher is the Hon. E. T. Meredith, the Secretary of Agriculture. Here is what Successful Farming says:

Substitution is the thing in which the exorbitant prices of clothes and cloth, and clothes and cloth profiteering, have their roots. The people pay for virgin wool and get shoddy. In these days of skyrocket prices, the consumer is entitled to know what he is getting for his money. * * *

In reducing clothing costs and preventing profiteering in cloth, as in many other things, the simplest measure is the most effective. In the case of clothing, it is the high cost of substitutes which is at the bottom of all the trouble, and is the key problem in getting prices to a safe and reasonable basis.

Is it possible that when a second-hand suit of clothes can command the price of only a few dollars when offered for sale by a second-hand clothing dealer, that when torn into fragments and remanufactured into clothing that does command high prices, it is not being sold under false colors? Surely, then, the price that is being paid for it is a price that is paid for it upon the belief that the fabric is virgin wool.

But profiteering seems not to be limited to our own country. I have in my hand an article that appeared in the Daily News Record, a trade publication, under the date of June 18, 1919, showing conditions in Toronto, Canada. The article is as follows:

Not a thread of wool in 50 per cent wool cloth.

A. R. Balcon, chief metallurgical engineer of the Acme Engineering Co., of Toronto, has addressed a letter to the minister of labor, in which he says:

"For some considerable time I have been making tests and analytically examining samples of goods secured from various manufacturers of the city of Toronto (Canada), and the discovery is simply appalling. As an example, one reputable business house sent me samples ranging from \$45 to \$75 for an ordinary suit, the higher priced ones being guaranteed to be all wool, and on examining these, in no instance was there 10 per cent of wool in any of the cloth. On the contrary, the cloth was spun from woolen rags put together and a small amount of wool that is what is known as new wool, and the fur clippings from various fur bearing animals. Once in a while a chicken may contribute a part of it. Another reputable business house, with suits up to \$55, claiming them to be 60 per cent wool, did not have a thread of wool in the cloth.

"Now, if you will start an analytical examination you can easily verify my statement.

"I fail to find a yard of cloth anywhere that can possibly cost \$1 at the present price of labor and material, and I am prepared to prove my statement.

"I would like to correspond with you on the subject."

Now let me bring to your attention some concrete evidence.

Here is a sample of goods that has come to me since my testimony 10 days ago. This sample I have marked "Exhibit A." It is from a lady's outer garment purchased in a Brooklyn department store in November, 1919, at \$50. The purchase was made by a poor working girl whose name I have at my office and also the name and address of the store from which the purchase was made. The girl informed the salesman that she could only afford to pay thirty or thirty-five dollars for the garment. The salesman urged her to take the garment of which the piece that I have is a fragment. He assured her that it was "all-wool," and that she could well afford to pay the difference, rather than to pay thirty or thirty-five dollars for a garment. I want you to notice how readily this sample of cloth tears. It tears with a little more difficulty than you can tear blotting paper. I ask you—was not this poor girl charged a virgin wool price for this garment when she was charged \$50? I ask you again if its is not profiteering for anyone to palm off on the public

a garment made of such rotten cloth as all wool, when the purchaser thinks she is purchasing a virgin wool garment and when she is charged so round a price as that which she paid.

I have another sample that has come to me since these hearings began. This is a sample purchased in the fall of 1919 by a merchant tailor from a jobber, the names of whom I have at my office. The fabric was sold to the merchant tailor as all wool and the price paid by the merchant tailor to the jobber was \$4.50 per yard. Again, you can tear it with somewhat more difficulty than you could tear a piece of blotting paper. This merchant was charged a virgin wool price—\$4.50 per yard. I submit again that here was profiteering and that here is a complete answer to the question, "Are shoddy fabrics sold at virgin wool prices?"

Article after article has been brought to my attention since these hearings began of purest shoddy, for which such prices were charged that in a reliable store or tailor shop would be charged for virgin-wool fabrics, and I submit that there can be no question but that wool-shoddy fabrics are being sold at virgin-wool prices. I submit further that the prices for the garment and the cloth to which I have called your attention are unfair prices and that they were exacted from the public by reason of the industrial position of the persons who sold these garments. This industrial position will be cleared up in large part by the passage of the truth-in-fabric measure.

But, gentlemen, if I have not already answered the question, I am spared from the necessity of furnishing a complete answer myself by the very testimony of the opponents of the bill. They have denied that all wool-shoddy fabrics are being sold at virgin-wool prices, as I have alleged. And then what have they done? Witness after witness who made these statements has told you that if this bill shall pass shoddy will be of slow sale or command a low price because of the prejudice against shoddy that exists in the public mind. That is in substance what they have said. Now, I submit that if that second statement is true, then shoddy fabrics that are being sold to-day are being sold, as I allege, because the people believe they are virgin-wool fabrics, and if there would be slow sale for them if their true contents were known, I submit, then, that the very price they are commanding to-day is above the price that they would command as shoddy, or, in other words, is a virgin-wool price.

A FALLACIOUS OBJECTION.

It is urged that if this bill should pass manufacturers could use a little of the best shoddy, containing long fibers, and a large quantity of the worst virgin wool, containing short fibers, and thereby deceive the public into thinking a splendid article was being offered for sale, when in fact it would be an article of no merit whatever.

Let me remind you that there is but a small percentage of short virgin-wool fiber, possibly 8 per cent of the annual clip, and so from a practical standpoint there is almost nothing to fear. Again, bear in mind that short virgin-wool fibers have their real use, and manufacturers would hardly direct the same from that use, where the material is valuable, to a use that would be foolish. It would not be good business so to do.

But let us go further. Such an article, as the opponents have described, would need to be offered for sale under the number of the manufacturer producing it. Now, I submit that there is no manufacturer who has put the amount of money into his plant that is required who would be foolish enough to be so regardless of his reputation, so regardless of his good name, so regardless of the profits in his business as to do such a stupid thing as that which the opponents of the bill have suggested could be done.

There not only would be the competition in business which now exists, but there would be a further competition in two ways:

First. There would be competition because the commodity could be traced to the producer, which is not true to-day, other than as to some concerns that are so proud of their fabrics that they stamp them in spite of the fact that there is no law. These concerns put their good name on the fabrics that are worth while, and the fabrics that are not worth while and have no merit are the ones that are offered for sale by persons who, so far as the business may be concerned, are nameless.

Second. There would be competition between virgin wool and shoddy. To-day there is no such competition. To-day, if a man purchases a suit of clothes and it is not what he thought it was, he goes to another dealer and the dealer tells him that he got stung when he purchased the old suit, that it was shoddy. As a matter of fact, it may have been shoddy or it may not have been, but shoddy lays its sin off on a poor quality of virgin wool and virgin wool lays its sin off on to shoddy.

The passage of this bill will put virgin wool upon its merit and shoddy upon its merit, and the manufacturer of each will be competing against each other to put into their fabrics the very best of virgin wool or the very best of shoddy, so that the public thereby will approve of the one commodity or the other, and each would sell upon its merit and each command the price that the intrinsic value of the article would suggest.

OBJECTION RAISED THAT SHODDY AND VIRGIN WOOL CAN NOT BE TOLD APART.

It is urged that the best laboratory tests possible can not always differentiate between some virgin wool and some shoddy. The bill does not contain any provision that makes this a requisite.

I have noticed that the opponents of the bill have had no trouble in telling without any chemical tests but by the most casual examination whether or not various garments that have been called to the attention of the committee were virgin wool or shoddy. I have no doubt that by chemical and other tests the most ordinary shoddy could be told from virgin wool, but the necessity of telling virgin wool from shoddy in all instances or in any instance is not essential through chemical or other processes. These processes would be merely the laboratory tests that would be made to see in a general way whether or not there was ground for complaint, and if the tests seemed to reveal grounds for complaint further examinations would unquestionably be made that would involve the examination of manufacturing plants, the examination of books and processes, etc., so

that this latter would be the evidence relied upon and not the chemical tests in the laboratory, and certainly not these latter in doubtful cases.

NOT UNREASONABLE POWERS.

Opponents of the bill urge that the administrative features of the measure would give unusual and unreasonable power to the Government in ascertaining the business of manufacturing concerns or jobbers coming under the law.

Gentlemen forget that the powers that are conferred are the same powers that exist to-day under the Federal Trade Commission act. They forget that practically everything that is suggested is very analogous to powers heretofore conferred and that must be conferred, in, for instance, the administration of the income-tax laws, excess-profits tax laws, in the enforcement of import and other laws, and are quite similar in character to those that we have been accustomed to for many years touching our national banks and other industrial concerns engaged in interstate commerce.

I think on this head such criticism can amount to nothing.

More than that, the Government would not care to make inquiry and probably would not make inquiry into the business affairs of any concern unless through its conduct the finger of suspicion was directed against it.

FOREIGN IMPORTERS.

Some one has said that the difficulty of telling accurately through laboratory tests would be in the interest of foreign manufacturers.

This contention likewise can not hold, for the test of the laboratory would constitute merely the *prima facie* test or examination. The foreigner desires to sell in America because of the profits that he can make. Well, in order to make profits, or to be in business at all, he would need to have a registered serial number, and if a case could not be absolutely established against a foreigner, the fact that the Government could withdraw his serial number and his right to do business at all, even admitting that no prosecution would follow, would in itself be such a persuasive argument that the foreigner, least of all, would not run foul of the law if he sought to do business in this country. More than that, the foreigner would need to furnish a specific guaranty touching his product.

Generally speaking, then, whether applied to the foreigner seeking to do business, or to the domestic manufacturer or jobber, the fact that each one has considerable money invested, the fact that each one is in a line that depends upon good will and public confidence, all combine to urge upon either the foreigner or the domestic manufacturer or jobber the advisability of adhering closely to the law.

Further, the fact that the license number must be provided, that this number could be withdrawn and that without it the concern could not do business in interstate commerce, would in itself impose a very important persuasive influence upon those coming under the law.

IS THERE PUBLIC SENTIMENT?

Mr. Winslow has asked two or three persons who have appeared in support of the bill if there is public sentiment for it, and if so, what is that public sentiment. Well, what is public sentiment? How can

you gauge it? I introduced this bill on January 7—less than three months ago. I have received many letters upon the subject and I want to insert in the hearings an assortment of excerpts from letters from all parts of the country and from people in various walks of life, urging the passage of this measure.

Is there public sentiment? I have here in my hands a pack of editorials from leading newspapers of the country from the Atlantic to the Pacific urging either this specific bill or a bill that will do precisely what it is expected this bill will accomplish. To the extent that these editorials have not already been submitted in hearing, I desire to place them in the records of these proceedings that you may know what is in the minds of many editors of the country.

Is there public sentiment? I ask you again to remember the testimony of Mr. Goss, of Successful Farming, of Des Moines, Iowa. Mr. Goss told you that the paper that he represents is read by some 5,000,000 people. He told you that when different measures are before the country the contributors to the paper are free to express their opinion. He said that when the League of Nations is uppermost the patrons of the paper write on that subject; when prohibition is considered they write on that subject; and when woman suffrage is in the fore they discuss woman's suffrage. And you will remember that he told you that not one of these subjects had drawn the same amount of correspondence as has this truth-in-fabric measure. Furthermore, I am told that practically every farm paper in the country is urging relief.

Is there public sentiment? I have here in my hand a list of between 30 and 40 different organizations, farmers' granges, retail merchants' associations, housewives' organizations, consumers' leagues, stock men's groups, who have passed resolutions or who have sent representatives to you, actively advocating the passage of a measure along this line.

Is there public sentiment? I hold in my hand an advertisement that appears in one of the papers in my home State, the Idaho Republican, published in Blackfoot, Idaho, under date of March 13, 1920. The advertisement is offered by the Rowles-Mack Co. of Blackfoot and calls especial attention to the pending bill and says that its passage "will bring daylight into the business of buying and selling cloth and clothing." I want to publish elsewhere the advertisement of this company to show you that not only is the public asking for this legislation, but that merchants themselves are asking for it. Numerous merchants all over the country have urged the passage of the bill. One of your witnesses from West Virginia told you that his merchant whom he has traded with for many years told him as he left for Washington to be heard on this bill to do everything that he could to pass it. And further than that, since the bill was introduced the retail clothiers' associations of New Jersey and Missouri have passed resolutions urging relief from the conditions that exist to-day by the passage of a truth-in-fabric measure.

I believe that what I have just said indicates that there is public sentiment back of this measure. I believe the public expects the Congress to enact a law embracing the essential ideas of the measure that I have introduced. This sentiment is not new. I told the committee in my opening statement 10 days ago that the first bill embodying the essential principles of the bill I introduced was pre-

sented by Gen. Grosvenor nearly 20 years ago. Since that time numerous bills have been offered involving the question in one way or other. Public sentiment was being aroused; the people knew that something was wrong in the clothing business. During the war there occurred a lull in their demands, for they recognized that everything must be subservient to the winning of the war. But with the war concluded the people have again turned their interest to matters of local concern, and one of the matters of local concern and of deep concern is the passage of a measure that will give information to the public touching truth in fabric.

In introducing H. R. 11641, truth in fabric, I have hoped that the friends of the measure have been able to work out something that will meet the situation. I believe that we have. Dr. Stratton, of the Bureau of Standards, when he appeared before you, was not enthusiastic touching the measure. He felt that a quality test should probably be provided, but he admitted that this measure would be the "first step." Gentlemen, I submit that it is the first step; that in the language of Judge Simms, "We can not take the second step until we have taken the first"; that the quality test does not exist in the pure food and drug act; that it is not furnished under the oleomargarine law; that it is no part of the insecticide measure, and that it has nothing to do with the affairs that come under the Federal Trade Commission. The question touching it is raised for the most part by the opponents of this bill and not by its friends, and not by those who are seeking for relief legislation. This bill, at least, will be the first step and if we shall then need further relief we can then consider just how that relief can be best afforded.

The opponents of the truth-in-fabric measure urge that wrongs could be perpetrated upon the American people even should the truth-in-fabric measure pass.

I grant that this is true and that under any law that could be passed wrongs might be perpetrated, but I submit that every wrong is vastly more possible to be perpetrated in the absence of such a law; not only so, but wrongs vastly more cruel are being practiced daily in the absence of such a law.

Now, gentlemen of the committee, in offering the summary that I have, I have needed to rely for the most part on my memory of the hearings or notes that I have made, for the hearings themselves have not as yet been printed. I have tried to outline again in brief the salient reasons why the truth-in-fabric measure should be enacted. I have tried to meet the essential points in opposition, or rather in both instances to indicate to you the arguments that have been advanced for the measure and the arguments that have been advanced against it, and to consider the soundness of the same in the light of the evidence that has been offered.

Our country came into being that the rights of the people might be protected. Its existence for more than 100 years has been for the purpose of safeguarding those rights. That country is greatest and best under which to the utmost extent even-handed justice is administered. The proponents of the truth-in-fabric measure have brought to your committee a situation that has become exasperating and deeply annoying to the people of the country. The people are being imposed upon in most grievous and outrageous manner through the sale to them of fabrics purporting to be that which they are not.

The people are being charged exceedingly high prices for these fabrics. The merchants with whom the people come into immediate contact are themselves unable to afford relief, for as they can not know definitely the character of the goods that they buy, so they can not give satisfactory assurance touching the goods to their customers.

Numerous manufacturers are asking that this measure be passed, so that all manufacturers will be required to do that which certain of them wish to do. Retail merchants themselves are asking that the measure be enacted. The growers of sheep are asking for the law that their industry may not be imposed upon through dishonest competition, and the consuming public is asking for this measure that their rights may be safeguarded and in the interest of common honesty and fair dealing.

Mr. Chairman and gentlemen of the committee, I could not conclude my statement without telling the committee on behalf of myself and the proponents of the truth-in-fabric measure how deeply we appreciate the generous time that you have given during these hearings, your obvious patience, and the very earnest effort you are putting forth looking to the obtaining of information that will be helpful in shaping up legislation calculated to meet the ills to which we have tried to direct attention.

STATEMENT SUBMITTED BY FREDERICK S. CLARK, 'PRESIDENT OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

I have been very glad to meet these men from the wool-growing sections of the country and to learn more about their problems than I knew before. We have a common interest which should make us warm friends. I believe just as thoroughly as they do that it is essential for the best interests of this country, both from the standpoint of clothing and of food, that the raising of sheep should be encouraged and very much extended, and that this can only be accomplished if the woolgrower finds it a reasonably profitable business. To what extent profits can be established and secured by legislation is, of course, a question; but it is clear to my mind that it should be attempted by a more direct method than is represented by the French bill. I believe the enactment of this bill would cause a greater demand for virgin wool, but I agree with the many manufacturers with whom I have discussed the question that this additional demand would be met to the greater extent by importations of inferior foreign wools, grades which are not and can not be grown profitably in this country, than by an increase in domestic production.

One would not suppose from reading the various sections of the French bill that it had any other purpose than to benefit the consumer by enabling him to judge of the quality and value of fabrics.

We have shown as to that that the method provided would involve a considerable expense to the manufacturer which, of course, would be passed on to the consumer, a very large expense to the Government for inspectors at the mills, which would be necessary for the proper enforcement of the law; that the mills of the country could not be equipped to comply with the stamping provision inside of several years; that the opportunity for profiteering would be greater, and that, after all, the consumer will be given no information of value, but that he will be confused and misled to a greater extent than under existing conditions.

We believe that the experience of Great Britain for the past 30 years is of value, and that the committee can not do better than to draft a bill along the lines of the Rogers and Barkley bills, which are patterned after the British merchandise marks act.

TELEGRAMS.

TELEGRAM FROM THE ILLINOIS FEDERATION OF WOMEN'S CLUBS.

EVANSTON, ILL., *March 10, 1920.*

The CHAIRMAN OF HOUSE COMMITTEE ON INTERSTATE COMMERCE,
House Office Building, Washington, D. C.

The Illinois Federation of Women's Clubs, with a membership of 67,000, approve the Barkley bill and hope for its passage. We consider this the best bill yet presented and would like to suggest that section 4 be amended to provide for administration by a board of three instead of any bureau chief. Suggest administration organization similar to Federal Trade Commission.

Mrs. D. W. REDFIELD,
Chairman Home Economics, Illinois Federation of Women's Clubs.

TELEGRAM FROM THE FREMONT COUNTY WOOL GROWERS' ASSOCIATION.

LANDER, WYO., *March 16, 1920.*

HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D. C.

Would ask that you render favorable report on House bill No. 11641.

FREMONT COUNTY WOOL GROWERS' ASSOCIATION.
FRED. A. EARL, *Secretary.*

TELEGRAM FROM THE PATTON PAINT CO.

NEWARK, N. J., *March 18, 1920.*

Mr. J. ESCH,
Chairman Committee on Interstate and Foreign Commerce,
Washington, D. C.

We very much favor the general principles of legislation as represented by the Barkley misbranding bill and H. R. 13073, introduced by Hon. John J. Rogers, of Massachusetts.

PATTON PAINT CO.

TELEGRAM FROM RUTH O'BRIEN.

AMES, IOWA, *March 19, 1920.*

CHAIRMAN INTERSTATE COMMERCE COMMITTEE,
House Office Building, Washington.

As textile chemist and consumer I would appreciate your influence toward a favorable report and ultimate passage of the Barkley bill.

RUTH O'BRIEN.

TELEGRAM FROM UPPER MICHIGAN PENINSULA BUREAU.

MENOMINEE, MICH., *March 19, 1920.*

JOHN J. ESCH,
Chairman Committee of Interstate and Foreign Commerce,
Washington.

The Upper Peninsula Development Bureau in annual convention adopted resolution to-day urging unanimously on Congress the passage of H. R. 11641, known as the "Truth-in-fabric" law. This bureau represents the 15 counties of upper Michigan and is supported by appropriations from county boards of supervisors.

JOHN A. DOELLE, *Secretary-Manager.*

TELEGRAM FROM THE WASHINGTON WOOL GROWERS' ASSOCIATION.

PROSSER, WASH., *March 20, 1920.*

Hon. JOHN F. MILLER,
Representative, Washington, D. C.:

The Washington Wool Growers' Association, representing the ownership of 600,000 sheep, operating in the State of Washington, urge you to make every possible effort to encourage the passing of Congressman French's bill entitled "Truth in Fabric bill." All the sheepmen ask is something that will stabilize the market of their products. At present the law of supply and demand does not rule, but we are thrown in direct competition with old rags and everything that is shoddy. Your most earnest efforts in this direction will be most highly appreciated.

T. J. DRUMHELLER, *President.*
 J. F. SEARS, *Secretary.*

TELEGRAM FROM THE MINNESOTA HOME ECONOMICS ASSOCIATION.

ST. PAUL, MINN., *March 24, 1920.*

Chairman ESCH,
Interstate Commerce Committee, Washington, D. C.:

Strongly indorse the Barkley bill. Hope for favorable action.

MINNESOTA HOME ECONOMICS ASSOCIATION.

TELEGRAM FROM R. N. STANFIELD.

NORTH PORTLAND, OREG., *March 24, 1920.*

Representative W. C. HAWLEY,
Capitol Building, Washington, D. C.:

On behalf of myself and other sheep and wool men of eastern Oregon would ask for your favorable support of the Truth in Fabric bill now before Congress for consideration. This bill, if it becomes a law, will result in good to the sheep and wool industries throughout the Northwest.

R. N. STANFIELD.

TELEGRAM FROM THE COLUMBIA BASIN WOOL WAREHOUSE CO.

NORTH PORTLAND, OREG., *March 24, 1920.*

Representative W. C. HAWLEY,
Capitol Building, Washington, D. C.:

The Truth in Fabric bill now before Congress is unanimously indorsed by all the sheepmen and woolgrowers of this country, as well as the principal commercial organizations throughout the State, and we trust that you will use your best efforts to see that this bill becomes a law.

COLUMBIA BASIN WOOL WAREHOUSE CO.

TELEGRAM FROM THE OREGON STATE CHAMBER OF COMMERCE.

PORTLAND, OREG., *March 24, 1920.*

Hon. W. C. HAWLEY,
House of Representatives, Washington, D. C.

We strongly urge your support of the truth-in-fabric bill now in committees, on which we understand action will be taken to-day or to-morrow. This bill has the unanimous support of all the sheep and wool interests in the Northwest, and is strongly supported by the commercial organizations throughout the State.

OREGON STATE CHAMBER OF COMMERCE.

TELEGRAM FROM THE WASHINGTON WOOL GROWERS' ASSOCIATION.

PROSSER, WASH., March 24, 1920.

Hon. J. J. Esch,

*Chairman Committee on Interstate and Foreign Commerce,
Washington, D. C.:*

The Washington Wool Growers' Association urges your favorable consideration of Congressman French's House bill No. 11641. We do not do this with the idea that it will increase the price of wool, but we are of the opinion that it will have a tendency to stabilize the price, and let the market be ruled by supply and demand, rather than throw us in direct competition with collectors and distributors of old rags, etc. This country is capable of producing all the wool we consume, if the industry is given proper encouragement. This, however, will never be done without some sort of encouragement. The truth-in-fabric bill will, in our opinion, accomplish its purpose, and we earnestly urge its enactment.

WASHINGTON WOOL GROWERS' ASSOCIATION,
J. F. SEARS, *Secretary.*

TELEGRAM FROM THE STOCKMEN'S CLUB OF SPOKANE.

SPOKANE, WASH., March 29, 1920.

CHAIRMAN OF INTERSTATE AND FOREIGN COMMERCE COMMITTEE,
House of Representatives, Washington, D. C.:

The Stockmen's Club, of Spokane, unanimously and emphatically indorse House bill 11641, by Mr. French of Idaho, known as truth-in-fabric legislation. This bill is in the interests of honest merchandising and a square deal for both producer and consumer, and can work no hardship in any honest merchant or manufacturer. Earnestly urge you to actively support this bill.

STOCKMEN'S CLUB OF SPOKANE.

LETTERS.

LETTER SUBMITTED BY WM. G. SCARLETT & CO., SEED MERCHANTS.

BALTIMORE, March 17, 1920.

Hon. JOHN J. ESCH,

*Chairman Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.*

MY DEAR SIR: I have just been advised that on Friday, at 10.30 a. m., there will be a hearing on the Rogers bill, H. R. 13073.

I understand this bill has a material effect upon seeds. There is also a proviso, which reads:

"And provided further, That seeds, roots, bulbs, or nursery stock unintentionally misbranded because of indistinguishability by their appearance shall not be deemed misbranded within the meaning of this act."

At the same time it would be well to define "misbranding" as applied to seeds, because seeds are of a peculiar nature, not only from the standpoint of growth, but in appearance; so much so that it is extremely difficult to always read their character.

If you will permit me, I would suggest that before proceeding further you secure the opinion of the Bureau of Plant Industry, Department of Agriculture.

The very nature of the seed business is so delicate and exacting that it is possible to disrupt its whole structure by legislation which is enacted with the best intentions, but without a clear understanding of the character of the business.

I remain,

Respectfully, yours,

WM. G. SCARLETT.

LETTER SUBMITTED BY VANE-CALVERT PAINT CO.

ST. LOUIS, MO., *March 18, 1920.*

HON. JOHN J. ESCH,
*Chairman of Committee,
House of Representatives, Washington, D. C.*

HONORABLE SIR: We are very much in favor of bill H. R. 13073, to protect the public against fraud by prohibiting the manufacture, sale, or transportation of misbranded and mislabeled articles.

Yours, very truly,

VANE-CALVERT PAINT CO.,
H. P. FRITSCH,
Secretary-Treasurer.

LETTER SUBMITTED BY ANNA R. VAN METER, OHIO STATE UNIVERSITY.

COLUMBUS, *March 19, 1920.*

Chairman Esch,
*House Committee on Interstate and Foreign Commerce,
Washington D. C.*

MY DEAR MR. ESCH: My attention has been called to the bill known as the Barkley bill, H. R. 2855, which I understand is now in committee. Since this bill provides a penalty for the misbranding of any article offered on the market, it would seem that it ought to interest all home economics workers as concerned with ultimate consumption of goods, and I am quite willing to urge the passage of the bill.

Very truly,

ANNA R. VAN METER,
Acting Head of Department.

LETTER SUBMITTED BY DAISY L. LEUBUSCHER.

2688 BROADWAY, NEW YORK, *March 23, 1920.*

HON. JOHN J. ESCH,
*Chairman Interstate Commerce Committee
House of Representatives, Washington, D. C.*

DEAR SIR: The French truth-in-fabric bill is of prime importance to every thoughtful citizen, and I am heartily in favor of it. I am soliciting the support and cooperation of New York Representatives and trust for a splendid victory.

Cordially, yours,

DAISY L. LEUBUSCHER.

LETTER SUBMITTED BY THE ASSOCIATION OF COTTON TEXTILE MERCHANTS OF NEW YORK.

70 WORTH STREET, NEW YORK, *March 23, 1920.*

The Hon. JOHN J. ESCH,
*Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.*

DEAR SIR: Referring to your letter of March 20 to Mr. P. S. Newell, secretary of the Association of Cotton Textile Merchants, I very much regret that I am unable to be in Washington to-morrow by reason of the fact that business associates from North Carolina have just wired me that they are to be in New York and require my presence here.

From your letter of March 20, it also appears doubtful whether you will be able to call upon me to-morrow, and it will therefore doubtless be more convenient for you as well as for me if I can appear at some subsequent hearing on these bills.

However, I have asked Mr. Newell, our secretary, to be present at the hearing and to keep us informed of the way the situation develops. This association is very much interested in the legislation proposed and desires to be of every assistance to the committee in framing a bill that will prevent deception and yet will not hamper industry in a way that will be injurious to the customer and to the manufacturer where no attempt is made in any way to deceive the consumer.

We have studied the matter for some weeks and it seems to us a very complicated one in that certain remedies proposed to correct one fault may by their language upset customs in the business and trade which are advantageous to the consumer as well as to the producer.

Particularly is this so as regards trade descriptions of goods which have been in use for 15 or 25 or more years, and have come to have in the minds of everyone using them a distinct meaning which may be different from the strictly technical meaning of the same terms.

However, we do not wish to burden you with any argument on the bill in this letter, but merely desire to explain to you the care with which we have investigated the subject and our deep interest in it.

May I ask your clerk to keep Mr. Newell, as secretary of the association, informed as to the hearings to be held in the future. I shall be very glad to remain subject to your call if I may be of assistance to your committee in its work.

Very truly, yours,

S. F. DRIBBEN,
Chairman Fabric Committee.

LETTER SUBMITTED BY THE AMERICAN ASSOCIATION OF WOOLEN AND WORSTED MANUFACTURERS.

NEW YORK, March 23, 1920.

Hon. JOHN J. ESCH,
Chairman Committee on Interstate and Foreign Commerce, Washington, D. C.

SIR: Having had the pleasure of meeting you at the hearings before the Committee on Interstate and Foreign Commerce on proposed labeling legislation last week, I am venturing to submit a few facts concerning the line-up of the woolen and worsted industry in opposition to the French and other radical labeling bills and in support of the Rogers bill.

There are two general associations in the woolen and worsted industry:

1. The National Association of Wool Manufacturers, of Boston, of which Frederic S. Clark, president of the Talbot Mills, North Billerica, Mass., is president, and Paul T. Cherington, secretary and treasurer.
2. The American Association of Woolen and Worsted Manufacturers, of which George B. Sanford, of Sanford & Russell, New York, is president, and J. J. Nevins, secretary and treasurer.

Both of these associations have appointed committees to deal with the general subject of the proposed legislation, and each of these committees has separately prepared briefs and exhibits.

If conformable with your plans and program, it could be so arranged that the National Association should have an opportunity to present its case first, followed by the case for the American Association, and that followed by resolutions passed by the latter association, presented with a brief statement by the president. Such a procedure would form a natural sequence of events.

The case for the National Association will stress the manufacturing aspects of the problem, while the case of the American Association will deal more particularly with the merchandising of the product.

I am sure you will not misunderstand the purpose of this letter, but will appreciate that it is written with the idea of informing you as to the most logical plan of procedure agreed upon by the two associations in the interests of a clear presentation of the case, and is submitted merely in the hope of aiding you in preparing your program for the continuance of the hearings to-morrow morning.

Respectfully,

J. J. NEVINS, *Secretary.*

LETTER SUBMITTED BY THE WISCONSIN LIVE STOCK BREEDERS' ASSOCIATION.

MADISON, WIS., March 30, 1920.

Congressman JOHN J. ESCH,
Chairman of Committee on Interstate and Foreign Commerce, Washington, D. C.

DEAR MR. ESCH: The stockmen of Wisconsin are interested in the proposed truth-in-fabric legislation.

They, of course, are both consumers and producers of wool. It will interest you to know that Wisconsin annually produces between 4,000,000 and 5,000,000 pounds of

wool which, in quality, is equal to any, and even surpasses many, of the medium wools of this country.

Wisconsin sheepmen are firm in their belief that wool growers of America produce wool of as good quality as any country and that with the adoption of similar manufacturing practices woolen goods of the best grade could be made from it. It is their opinion that the practices of some of our manufacturers in mixing a large percentage of shoddy with virgin wool in the making of their fabric is responsible for the too general feeling that American wools are unsatisfactory for the manufacture of high grade goods.

They appreciate that at the present time the term "all wool," as applied to manufactured fabrics, may mean that the fabric is all shoddy or at least very large percentage of shoddy. They realize that the average consumer generally believes that "all wool" means virgin wool, but that the fact is that a considerable percentage of the raw material used in making all wool cloth and clothing is shoddy and not in reality virgin wool.

They confidently feel that the American inventive genius can and will devise tests for determining accurately the amount of virgin wool and of shoddy in goods. As consumers they believe that the public is entitled to know what it is buying in fabrics as well as in foods and as producers they feel that they have a right to insist upon fair competition—which means that purchasers of clothing may know when they are getting wool and when shoddy. You may rely upon Wisconsin sheepmen to back you in any movement which shall aid the consuming public to secure cloth and clothing as represented. We feel that we may count upon Wisconsin Congressmen to support legislation which are in the interests of consumers and producers of wool.

Very truly, yours,

W. L. HOUSER, *President.*
A. W. HOPKINS, *Secretary.*

P. S.—The officials and members of the Wisconsin division of the Fleece Wool States Growers' Association are also fully interested in this appeal. At a meeting of the directors of that organization, held here yesterday, we were asked to convey to you their wishes on the subject.

LETTER SUBMITTED BY THE WASHINGTON WOOL GROWERS' ASSOCIATION.

PROSSER, WASH., *March 30, 1920.*

Mr. JOHN J. ESCH,

Chairman Interstate and Foreign Committee, Washington, D. C.

MY DEAR SIR: You have received a telegram from the Washington Wool Growers' Association urging the passage of the truth-in-fabric bill. There is another matter that on behalf of the wool growers of this State I would like to call to your attention.

At this particular season of the year wool buyers and wool speculators always take advantage of every opportunity to bear the wool market. They are now circulating through the West, and as far as I have been able to learn have not made a price on wool to the growers. They claim as their reason that the British Government for the past two months has dumped a considerable quantity of wool on our markets, some of the coarse braid wool going as low as 16 and 17 cents and some of the inferior fine wool selling as low as 35 and 37 cents. This wool, no doubt, is not comparable with our wool in quality, but, nevertheless, the effect is the same. It is going to result in the wool growers in this country losing thousands of dollars and the consumer will not profit.

It is generally supposed that the wool growers are making fabulous profits. This impression is wholly erroneous. If statistics were obtainable, I feel sure that the percentage of failures in the sheep industry would far exceed the average of failures in any other line of agricultural pursuits. There is a tremendous hazard attached to the sheep industry. One storm might eliminate a man from the business entirely. Our western country is capable of carrying a greater number of sheep than it is now carrying, but it is difficult to encourage the herdsmen to increase their bands with such erratic market conditions.

If your official capacity will permit you, I would like to ask on behalf of the Washington Wool Growers' Association that you make an investigation of this matter and see if it can not be remedied.

Very truly, yours,

J. F. SEARS, *Secretary-Treasurer.*

LETTER SUBMITTED BY THE NATIONAL HOUSEWIVES LEAGUE (INC.).

NEW YORK, N. Y., *April 2, 1920.*

Hon. JOHN J. ESCH,

Chairman Interstate Commerce Committee, Washington, D. C.

DEAR SIR: The National Housewives League (Inc.) has indorsed the Barkley bill. This organization has members in every State in the Union and complete organization in many. It was organized in 1911 and its work is educational, constructive, and defensive for the protection of the American home. It is therefore composed of a body of women trained in home and commercial economics.

We believe that the consumer should have the same protection when buying fabrics as when buying food, and therefore urge upon your committee the passage of this bill.

Asking that you present this letter at the meeting of your committee, I am,

Yours, very truly,

JENNIE DEWEY HEATH,
President.

Mrs. JULIAN HEATH.

LETTER SUBMITTED BY THE WINCHESTER WOOLEN CO.

NORWICH, CONN., *April 9, 1920.*

Hon. JOHN J. ESCH,

Chairman Committee on Interstate and Foreign Commerce, Washington, D. C.

SIR: The testimony offered to the investigating committee on truth-in-fabric legislation has so clearly proved the advantageous use to which the product of woolen rags and clippings is devoted, that further arguments would be cumulative and therefore useless.

During the last few days of the hearing, however, several statements have been placed on record by the protagonists of the labeling bills, and for lack of time or opportunity, these do not appear to have been refuted or modified before the committee. Without entering into a discussion on the pros and cons of the principles involved in the labeling we confine ourselves to what appear to be gross inaccuracies and willful misstatements.

1. We remind you of the statement of J. F. Walker, president of the Fleece Wool Growers (hearing Mar. 31), and repeated by M. Q. Macdonald (hearing Mar. 31). These gentlemen charged that the obstacle to the producer (of wool) has been that of the unfair competition to which he has constantly been subjected by the second-hand product of his labor, call it shoddy or reworked wool. Both these witnesses instanced the advertisement of "Newool."

These false interpretations of a trade mark or label, which we refuted by telegram of March 31, are typical of the protagonists' methods of attacking reworked wool. These attacks are utterly baseless, and the only concrete evidence they have produced has been proved false and can only have been introduced to mislead the public. The charge of misrepresentation has in this case a far more important effect, however; it distinctly indicates that the protagonists of labeling legislation themselves, although presumably experts in virgin wool, either can not distinguish virgin wool from shoddy, or in their search for truth deliberately issue misstatements without troubling to investigate.

2. Representative French in introducing his bill, March 26, compares the rights of the public and the manufacturer each to know the "contents of an article that is offered for sale."

These are not parallel rights in this case.

"The manufacturer would not think of buying a bag of or containing wool without looking to see whether it was virgin wool or woolen rags."

Note, first, that the contents of the hypothetical bag all consist of wool (Representative French's version) irrespective of its condition.

Second, the manufacturer would not think of buying a bag of virgin wool without looking to see that the quality of the virgin wool suited his requirements. This is necessitated by his service to the public as an honest purveyor, and the suitability of the material for his machinery. This latter selection is impossible to the public, due primarily to his inability to judge, and subsequently to his lack of understanding of the manufacturing processes.

There are to-day virgin wools used in the manufacture of woolen fabrics that are worth only 25 cents per pound, in contradistinction to reworked wools woven into fabrics and worth \$1 per pound.

3. Alexander Walker, of Strong Hewat & Co., on March 31, states that England is now making worsteds with reworked wool. It is an absolute impossibility to incorporate reworked wool or short stapled virgin wool into worsted yarns for worsted fabrics. That Mr. Walker's knowledge of the wool industry is lacking is evidenced by his statement "that the United States will use looms which will utilize reworked wool in the making of worsted fabrics." The problem of the loom has nothing to do with the use of reworked wool either for worsted or woollen fabrics. The spinning and previous preparing processes are the only ones that differentiate worsted yarns from woollen. The method of procedure in these operations preclude the incorporation of reworked wool in worsted fabrics as Alexander Walker suggests.

As manufacturers and users of both virgin and reworked wool, we believe that these statements should receive the attention of your committee.

We beg to remain, sir,
Very truly, yours,

THE WINCHESTER WOOLEN CO.,
By NATHAN KALVIN, *Secretary*.

LETTER SUBMITTED BY JOHN B. BROWN.

CHESTERTOWN, N. Y., April 10, 1920.

TO COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE.

GENTLEMEN: When the pure-food bill was introduced by late ex-President Roosevelt, I opposed it as a tea and coffee and spice death, fearing my profits would be reduced. Since I've learned the public was willing to pay for pure food and my profits have been maintained. Manufacturers of so-called woollen cloth will secure a larger value of trade if they produce pure wool cloth, if permitted to publish the make-up, and their profits will not decrease after the first year of the truth of fabrics. The cost of labor entering so largely into every article put together has compelled the public to buy the best of everything. The difference between cost of a man's suiting, cloth cost only considered, of all virgin wool (6 pounds, at 70 cents a pound, equals \$4.20, and all raw cotton, 8 pounds, at 40 cents, equals \$3.20) is only \$1. If the manufacturers will be willing to trade for a fair profit, cloth will be no higher if made of virgin wool. The raw wool needed for man's suit to-day's basis is only 6 pounds. The farmer could only get \$4.20 profit if sheep could be raised and kept without cost. A suit of clothes to-day will cost \$60 to \$80—say \$60. The difference between \$5, cost of needed virgin wool, and \$60 for a suit is divided between manufacturer of cloth, the Russian Hebrew garment worker, his employer, and the retailer. The 1.100 increased per cent over wool cost and retailer's price is surely sufficient to warrant the gentle public in expecting all-wool suit at \$61, if willing to pay the extra \$1, if assured by label that the buyer could know an honest delivery was made. Clothing is getting almost worn out by a patient public, who can not afford cloths at to-day's going prices, as to-day's cloths have no wear. If factories are protected by customs revenues and the farmers neglected, the result will be, and its coming, short crops, owing to labor turning to factory, discouragement, and following will be want, famine, disease, pestilence. If your committee doubt this statement, another year will convince you. As a New York business man, I can see rural discouragements when I come to Chestertown, my summer home. Farmers do get increased prices, but their costs are more. If they do not get legislative help riots in cities will follow, as famine knows no armistice.

Very respectfully, yours,

JOHN B. BROWN, Sr.,
Warren County Sheep Breeders' Cooperative Association (Inc.).

LETTER SUBMITTED BY THE AMERICAN HOME ECONOMICS ASSOCIATION.

NEW YORK, N. Y., April 12, 1920.

Congressman JOHN J. ESCH,

Chairman Interstate and Foreign Commerce Committee, Washington, D. C.

DEAR SIR: The American Home Economics Association, the national organization of students and teachers of home economics, desires to contribute to the record of the hearing on textile labeling and misbranding legislation, held before the Interstate and Foreign Commerce Committee on March 24, the following statements:

The American Home Economics Association strongly indorses legislation penalizing misbranding of merchandise as embodied in the Barkley misbranding bill introduced in 1916 and in succeeding sessions of Congress, and more recently in the Rogers honest merchandise act of 1920.

We hold that the French truth-in-fabric bill will not serve as a reliable guide to the purchaser of woolen fabrics or garments. Because there is so great a variation in the grades of virgin wool and of shoddy, respectively, a label which states only the relative percentages of wool and shoddy in any fabric does not reliably indicate the wearing quality of the fabric. Even were the measure amended to require a statement of the different grades of virgin wool and shoddy used in the fabric, the average consumer could not comprehend the technical terms that must necessarily be used in designating these grades. We feel, therefore, that under certain circumstances the labeling proposed by the French bill might even tend to cause the consumer to invest in a less durable fabric containing virgin wool at the expense of more durable fabrics containing high grade shoddy. The virgin-wool supply of the world is such that a large proportion of reworked wool or shoddy must continue to be used, for a number of years at least, to supplement the inadequate supply of virgin wool, and our experience as consumers and as students of textiles has taught us that the presence of shoddy, as such, does not necessarily impair the wearing qualities of a fabric.

The insanitary conditions under which it has been found that woolen rags are sorted in many places, and also conditions relating to the wages and hours of workers engaged in this branch of the reworked wool industry should, we believe, be thoroughly investigated and properly regulated by State and, if necessary, by Federal law.

We approve the misbranding legislation outlined in the Barkley and the Rogers bills for the following reasons:

1. It is comprehensible, protecting consumers not only of textiles but of every kind of merchandise.

2. It is practical, as proved by the successful operation during 32 years of the British merchandise marks act on which both these bills are patterned.

3. It is comparatively inexpensive of operation.

4. By penalizing false statements it clears the way for an era of educational branding and advertising in which the consumer may feel confidence and which will serve him as a reliable guide. At present, with no machinery available for automatically and promptly bringing to justice those who through ignorance or the desire to defraud represent their wares as better than they actually are, the consumer is frequently deceived into investing his money to poor advantage, and this has naturally resulted in a tendency on his part to discount generally statements by manufacturers and merchants whose goods are not personally known to him. This skepticism on the part of the purchaser often makes him turn away in doubt from a really good investment, to his own loss and that of the merchant.

5. Misbranding legislation is particularly needed in the field of textiles and ready-made clothing. The scarcity and high price of raw materials has resulted in lowering qualities in many makes of goods once standard, and in other cases in the use of substitutes less satisfactory than the material which they replace. Modern methods of manufacture can successfully camouflage the appearance of an inferior article. Most important of all, the large proportion of fabrics leaving the mill does not reach the consumer in the form of yard goods but passes into the hands of the cutting-up trade and emerges in the form of ready-made garments, having lost in the process any identifying trade-mark or symbol woven into the material. It is well known that this fact affords an opportunity for misrepresentation as to quality that the unscrupulous are not slow to improve, to the detriment not only of the consumer but of the manufacturer, who has established a trade-mark by years of honest merchandise and great expense for advertising.

6. Misbranding legislation would tend to eliminate many faults and misleading statements that now arise, not from deliberate intent, but from ignorance or carelessness on the part of buyers and advertising managers.

The American Home Economics Association contends that the passage of misbranding legislation is vitally needed at the present time—

1. Because the era of industrial and commercial depression anticipated by business men will undoubtedly increase the temptation to misrepresent qualities.

2. Because the continued shrinkage of the dollar makes it more necessary than ever before that the purchaser invest his income to the best advantage, and this can only be done on the basis of accurate information as to qualities.

3. Because misrepresentation is most likely to be practiced in the cheaper grades of goods, purchased by the consumer who can least afford to invest his money to poor advantage.

As a part of its educational campaign to bring about more intelligent consumption by home makers, and especially the more intelligent selection of textile fabrics, the American Home Economics Association has during the past year actively advocated before gatherings of club women and others the passage of misbranding legislation similar to that embodied in the Barkley misbranding bill. We believe we are within the facts in saying that women consumers who have the duty of investing a large percentage of the family income keenly feel the need of such legislation and feel that it should be speedily enacted. The numerous messages of indorsement of the Barkley bill that have already reached your committee from individual women and from women's clubs in all parts of the country will bear witness to the truth of this statement.

Very truly, yours,

AMERICAN HOME ECONOMICS ASSOCIATION.
CORA E. WINCHELL, *Secretary*.

LETTER SUBMITTED BY THE NATIONAL ASSOCIATION OF WORSTED AND WOOLEN SPINNERS.

NEW YORK, April 13, 1920.

HON. JOHN J. ESCH,
*Chairman Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.*

MY DEAR MR. ESCH: The executive committee of the National Association of Worsted and Woollen Spinners held no meeting just prior to or during the hearings on the French and other labeling bills before your committee and were therefore not represented.

We are desirous, however, of recording with you and having entered upon the records, if it is not too late, our protest against the enactment into law of the French bill.

We object to the French bill on general principles because we are convinced that it will not serve the purpose it is intended to accomplish. Instead of aiding and assisting consumers in purchasing clothes, it will confuse and confound them, because it will set up false standards. We object to its passage specifically because—

(1) *Bradford yarn.*—We produce in the yarn industry about 1,350,000 pounds of Bradford spun yarn weekly, and in this yarn nothing but virgin stock is ever used. It would be a burden and inconvenience to have to furnish specific guarantees and warranties every time any of this yarn was sold, when it is apparent to anybody familiar with the business that it can contain nothing but virgin wool.

(2) *French yarn.*—There is produced weekly about 750,000 pounds of French spun yarn. Of this from 75 to 80 per cent is always virgin wool. A percentage of cotton is used in the remainder chiefly for underwear purposes, for the reason that undergarments made of the French spun yarn in which a little cotton is employed is commonly looked upon as preferable to similar garments made of all wool. The purchaser of this yarn furnishes specifications.

(3) *Woollen yarn.*—We produce approximately 700,000 pounds of woollen yarn weekly, in which wool, reworked wool, cotton, silk, shoddy, and other fibers can be employed. Owing to the great variety of fabrics and style effects that may be produced from woollen yarns—these yarns are usually sold either on samples or by specifications supplied by the purchaser. Therefore, we again submit that the enactment of a law whereby it would become obligatory to furnish statements, or guarantees, as to the contents of such yarn would impose an unnecessary and useless burden upon the manufacturer, thereby increasing the cost of the product to an extent wholly unwarranted by any possible benefits derived.

Permit us to state that we would willingly submit to the inconvenience of fulfilling the requirements set down in the proposed French bill, if we believed that any good purpose or end could be accomplished thereby. Instead, we are convinced that the provisions of the bill applicable to the yarn industry are entirely unnecessary and will result in no benefit or gain to any one.

We shall much appreciate it if you will cause this letter to be inserted into the records of the hearings on this legislation.

Yours, very truly,

NATIONAL ASSOCIATION OF WORSTED AND WOOLEN SPINNERS,
J. J. NEVINS, *Secretary*.

LETTER SUBMITTED BY THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

BOSTON, MASS., April 17, 1920.

Hon. JOHN J. ESCH,
*Chairman Committee on Interstate and Foreign Commerce,
 House of Representatives, Washington, D. C.*

DEAR SIR: I am in receipt of your letter of the 15th instant, also of the memorandum from the clerk of the committee covering the amendments Mr. French has suggested to his bill.

We desire to make the following comments for insertion in the record. In a general way, the amendments suggested do not in any way obviate our objections to the bill and the arguments which we have presented already stand as to the amended bill. We have no detailed comment to make except as to the following:

No. 5. "Amend section 9 so as to indicate whether the percentage of wool or other ingredients shall be upon the basis of yardage or by weight."

We do not know what this means. There is only one way by which the ingredients can be stated and that is by the percentage by weight of the ingredients put into the original blend of material. As we indicated in our testimony, these various ingredients would shrink by varying amounts in the processes of manufacture, so that even the manufacturer himself would be unable to tell the exact percentages that would remain in the finished cloth. We also testified that it would be absolutely impossible to make any test of the finished goods which would indicate the percentage of the various ingredients.

No. 12. "Amend section 19 by providing that the act shall go into effect six months or eight months following approval of the same."

We repeat our assertion that it would require a very much longer period than this to equip all the mills of the country for complying with the law.

Respectfully, yours,

FREDERIC S. CLARK, *President.*

LETTER SUBMITTED BY THE NATIONAL SHEEP AND WOOL BUREAU OF AMERICA.

CHICAGO, April 24, 1920.

Hon. JOHN J. ESCH,
Washington, D. C.

MY DEAR MR. ESCH: The rapid and widespread development of the overall club movement which is supposed to have for its purpose the checking of rising prices—a movement which numbers among its leaders leading colleges, business men's clubs, rotarian clubs, high schools, chambers of commerce, and prominent public men—is a convincing proof that the people of the United States are determined that a solution for the constantly soaring prices must be found.

The National Sheep and Wool Bureau respectfully suggests that this movement is merely struggling with effect rather than attacking the cause.

A more effective way, and one which goes to the root of the matter, is pointed out in a recent editorial in *Successful Farming*, published by the Hon. E. T. Meredith, Secretary of Agriculture, and former president of the Associated Advertising Clubs of the World. This editorial said:

"Substitution is the thing in which the exorbitant prices of clothes and cloth, and clothes and cloth profiteering have their roots. The people pay for virgin wool and get shoddy.

"In reducing clothing costs and preventing profiteering in cloth, as in many other things, the simplest measure is the most effective. In the case of clothing, it is the high cost of substitutes which is at the bottom of the trouble, and is the key problem in getting prices to a safe and reasonable basis."

A truth-in-fabric bill was introduced in the House of Representatives January 7, 1920, by Congressman Burton L. French, of Idaho. This bill is known in the House as H. R. 11641, and is now before the Interstate Commerce Committee of the House of Representatives. The chairman of this committee is the Hon. John J. Esch, of Wisconsin.

This same truth-in-fabric bill was introduced in the Senate January 8, 1920, by Senator Arthur Capper, of Kansas. This bill is known in the Senate as S. 3688, and is now before the Interstate Commerce Committee of the Senate. The chairman of this committee is Senator Albert B. Cummins, of Iowa.

This truth-in-fabric bill, now before both branches of Congress, will, if enacted into law, immediately lower the prices of clothes.

The purpose of this truth-in-fabric bill, as stated in the bill's introductory paragraph, is:

"To prevent deceit and profiteering that result from the unrevealed presence of substitutes for virgin wool in woollen fabrics purporting to contain wool and in garments or articles of apparel made therefrom."

The provisions of the truth-in-fabric bill make it compulsory to identify substitutes for virgin wool, namely, shoddy and cotton, and to give the people the knowledge of the presence of substitutes—the knowledge that is the people's only protection against those who would procure for the substitute the price of the genuine.

The truth-in-fabric bill would lower the price of clothes because of the following reasons:

1. The bulk of the raw material now used in woollen apparel sold as all wool is shoddy.

Under the truth-in-fabric bill shoddy can no longer be sold as virgin wool, and shoddy profiteering would consequently be stopped and the price of shoddy would inevitably be forced down.

Therefore, the price of all apparel containing shoddy would immediately be lowered, and this would include a very large part of all apparel.

2. The passage of the truth-in-fabric bill would also immediately multiply the production of virgin wool fabrics for the following reasons:

(a) The reason huge stocks of virgin wool are now lying in storehouses unmanufactured is because unidentified shoddy permits the fabric manufacturer to make a greater profit with shoddy than he could make with virgin wool.

With the truth-in-fabric bill enacted into law, the fabric manufacturer could no longer, as now, divert the people's demand for virgin wool to the rag and shoddy industries, and fabric manufacturers would consequently be forced to make up into fabrics the vast quantities of virgin wool now lying in the storehouses.

(b) It is estimated that, because of lack of ships to transport the wool from where it was produced to where it could be manufactured into cloth, there accumulated throughout the world during the war 1,265,000,000 pounds of virgin wool.

(c) Notwithstanding the fact that the world produces only one-third or less as much virgin wool as is needed in any one year, yet on September 1, 1919, nearly 10 months after the signing of the armistice, there was in the United States more than 700,000,000 pounds of virgin wool, an amount which exceeds by 100,000,000 pounds the United States annual consumption of virgin wool.

Furthermore, at the present time, nearly a year and a half after the signing of the armistice, it is estimated that there is more than 1,000,000,000 pounds of virgin wool in the world's storehouses, exclusive of the present year's clip, 1920, which will be available in a few weeks.

A conservative estimate of the world's clip for 1920 is 2,500,000,000 pounds.

Therefore, there will be available within a very few weeks more than 3,500,000,000 pounds of virgin wool.

(d) If the truth-in-fabric bill is passed, all of this huge quantity of virgin wool would be immediately converted into cloth (instead of vast quantities of it being permitted to lie in storehouses, as has been done with great quantities of virgin wool since the signing of the armistice), and the tremendously multiplied production of virgin-wool cloth would effectively check and eliminate the rising-price menace and establish a sound economic price basis upon which business can proceed with safety and satisfaction.

The inclosed resolution passed by the New Jersey and Missouri Retail Clothiers' Association, contains the idea which has also been expressed in resolutions passed by scores of other organizations, State, national, and civic, throughout the United States, urging truth-in-fabric legislation.

Included among the organizations throughout the length and breadth of the land, which, by resolutions, or through their representatives, have definitely gone on record urging the passage of truth-in-fabric legislation, are the following:

The National Consumers' League, a southern cotton association comprising a large area of the South; American Farm Bureau Federation, with more than 1,000,000 members in 28 States; the Fleece Wool States Growers' Association, with membership in 15 States; the National Wool Growers' Association, including in its membership important States west of the Mississippi; the National Union of the American Society of Equity; the American National Live Stock Association; the Chicago Live Stock Exchange; the Agricultural Commission of the Michigan State Bankers' Association; the National Grange; the National Board of Farm Organizations; the Farmers' National Council; the National Housewives' League.

We are inclosing herewith pamphlet containing editorial comment typical of editorials that are appearing in leading publications throughout the United States urging truth-in-fabric legislation.

By promptly passing the truth-in-fabric bill Congress will right the wrong aimed at by the over-all and old-clothes clubs being formed throughout the country.

By passing the truth-in-fabric bill Congress will render the country a very great service by lowering the price of a necessity of life, and by establishing sound economic practices in connection with cloth and clothes, which will tend mightily to stabilize business and economic conditions and thus avert the danger from the unrest of the people, which now results from the exorbitant prices of clothes.

Your cooperation in the effort to secure the prompt passage of the truth-in-fabric bill, now before both branches of Congress, is, therefore, respectfully and earnestly requested in the interests of the people.

NATIONAL SHEEP AND WOOL BUREAU.
By L. F. MALONY, *Secretary*.

LETTERS SUBMITTING INCLOSURES.

LETTER FROM THE OHIO SHEEP AND WOOL GROWERS' ASSOCIATION.

UTICA, OHIO, *February 5, 1920.*

HON. JOHN J. ESCH,
Washington, D. C.

HIGHLY RESPECTED SIR: By the authority of the many owners of small flocks of sheep in Ohio, and in the interest of the French truth-in-fabric bill, I want to respectfully call your attention to the sheep status of the State.

When Commissioner of Tariff Culbertson gave us a hearing at Columbus in December, we showed him that the watershed of the Ohio River, a section with more sheep, and more sheep men per area than anywhere, was enlarging the delta of the Mississippi, and that there were a million tons of commercial fertilizer in solution in the Gulf of Mexico, from land owners growing half crops of grain where they should be growing wool.

The way he put it, "Wool growing in Ohio is an incident in diversified farming," now when we are disgraced by a national wool shortage, with sheep decreasing and population increasing, demanding more wool and more meat. This condition is the result principally of the criminal license shoddy has to pass for our good wool.

Ohio men, who have more sheep than the same size territory anywhere, are keeping a few sheep as a side line, keeping them like a town housewife keeps a few hens on her table scraps, because a junkman, not worth as much as the land owner pays annually in taxes, gathers more "wool" than the shepherd can produce. During this time, the whole population is wearing unserviceable, depraved clothing.

We are getting ready to grow enough virgin wool to clothe every American who wants it, as soon as wool sells for wool, and shoddy for a substitute. In the meantime all the associations are operating bureaus to educate the people. Many are asking at the stores already, "Is this virgin wool?" and we are determined to carry it on to a successful consummation.

I inclose a circular which explains the situation, and in the name of the sheep owners ask you kindly to push the French truth-in-fabric bill, all you can, until it is a law. There will be history following this, and credit from all the sheep men, and every one of the hundred million clothing buyers, to the Washington friends of this measure.

Yours, truly,

W. W. REYNOLDS,
Treasurer the Ohio Sheep and Wool Growers' Association.

[The Ohio Sheep and Wool Growers' Association. S. M. Cleaver, Delaware, president; J. F. Walker Gambier, secretary; W. W. Reynolds, Utica, treasurer.]

CLOTHING.

The clothing situation is deplorable. If you doubt it go out and buy some woollens for yourself and your families. Multitudes are writing our association about where they can find cloth, or clothing like they formerly bought.

These conditions were billed to come, and war times only brought them a little quicker. Big business and the unrestricted use of reworked wool have been reducing the flocks, and now America produces less than one-quarter of the materials for the woollens of the people.

The flocks on the western plains have been crowded out by settlers, and land east of the Mississippi is too valuable to compete with old rags, so that few sheep have been kept there, except by some stubborn old sheepmen who had the habit, and liked to see some about.

The great West also had more desire to sell mutton and lamb, whereas wool growing depends on permanent flocks where all the mothers are saved to increase them. The amount of them now only grows enough wool to furnish yarns to carry shoddy to wearers of "woolens."

A suit of virgin wool is hard to find, and will cost \$100 up. It has \$5 to \$6 worth of wool in it, and formerly it cost \$20 to \$25.

Good serviceable clothing will be a memory until America increases its flocks materially, and in the meantime (and it will be a meantime) the people can wear "antique" clothing, not knowing whether they are wearing the rags of gentle folks or beggars.

The wool and shoddy in these depraved garments will cost them many times what they should on account of the "wool shortage;" and they can not get serviceable raiment at any price until there is more wool grown for them.

[The Ohio Sheep and Wool Growers' Association. S. M. Cleaver, Delaware, president; J. F. Walker, Gambler, secretary; W. W. Reynolds, Utica, treasurer.]

TRUTH ABOUT WOOL SUBSTITUTES.

[Copied from the Rural New Yorker.]

The very best linguist and logician on earth will engage in a hopeless task if he tries to justify shoddy as it is used and sold now.

Take a look from the sheep pastures. On them are sheep owned by men, women, and children. Many farmers' widows have them because they are gentle stock to keep. They cost money, care, and watching. They are on high ground and in plain sight of the assessor, listed for taxation at good figures. They are eating on valuable land, and later will need hay and corn, at a cost of high-priced labor. They are growing nice fibers to pay their owners for their outlay, and to clothe human beings in respectable, serviceable raiment, but all the efforts of their keepers, the horns on the old rams, and shotguns and Winchesters can not protect them against the competition of shoddy.

At present there is a revival of interest in sheep by wool growers, and a promise of stability for the industry. There have been such promises before, but politics sent many dejected sheep to the stockyards, and strewed bones and wool locks over the fields. There is no line of industry that men will follow unless it pays, and when gentle, dependent sheep are neglected they perish. Here is good blood now of all the breeds, with owners able and willing to quadruple the sheep, but they see an enemy as deadly as politics threatening. The unrestricted use of shoddy is a crime against the sheep. What maker of woolens will pay the real worth of wool when he can substitute it with the refuse of wool and cotton? What use has he for good fibers except to carry poor, short ones?

Grant that it is right to salvage refuse and make some use of it, but all must allow that it is wrong to deceive anyone. There is not more than \$5 worth of wool in a suit of clothes, while there is profit and pay amounting to \$65 to \$85.

Now after a look from the pasture, the woolgrowers' end, take a view from the suit buyers' standpoint. How many know what virgin wool is, or what shoddy is, or know how to detect the latter? Neither the law or common knowledge is protection against it. There is not a food product, for man or beast, not a bag of hog feed or fertilizer sold in the United States that dare carry the deception that every suit of clothes is privileged to carry, and there go most of the people of this goodly land, wearing more or less of the rags of others, blaming the price and unserviceability on the woolgrowers. It is only of late years that there has been reference to shoddy, and all who named it were set down on real hard. Prefacing an acrimonious harangue against the writer, the Literary Digest remarked that I "spoke very disrespectfully against shoddy." It told the truth. I have the supremist contempt and loathing for it when it passes itself for virgin wool, even as it has done on me, after growing wool for 40 years and paying a "first-class dealer," a friend, and an honest man, his highest price with his assertion that "the jobber from whom he bought had guaranteed the piece pure virgin wool." I have seen some wool, and worn a few good clothes, and think of the statements made in the defense of shoddy.

As I remarked, we have the good sheep blood, and also willing minds to quadruple the sheep in less than 12 years, and clothe every American in home-grown wool. A just price as a permanency will warrant the endeavor, and the clothes of the people will cost them less than now.

After these views from the pastures and the consumer, take a look from a national economic standpoint. There is a middle class that is making all the profits on wool. If America grew four times its present output, the money paid for it would circulate among us. If every piece of cloth and garment had a tag, signed by the manufacturer, giving percentage of wool, shoddy, or cotton, a woolgrower would not be deceived, and the whole people would know what they are buying. The sheepmen are flocking, agreeable, and resolved that each of the three classes shall have a profit. We are now growing about one-quarter of the raw materials for "woolens," buying about the same from foreign lands, and the balance is a product of the ragpickers' hook and the rusty scales in the junkman's deplorable hovel.

Under the present distress this condition must go on, but we have promised ourselves that we will raise more sheep, induce others to raise them, and together protect them. There has been some noise at Washington about shoddy, not strong enough to be heard, but our voices are improving. We want restrictions on wool substitutes that will insure the same safety to all who buy, clothes now possessed by the buyers of fertilizers, and mule and hog feeds. We expect opposition, but plenty of as hard opposition has been overcome there. Opposition to us will prove the justness of our cause. There is no possible reason why buyers of clothing should not know what they are getting in the shape of wool—whether it is first hand from the sheep's back or has to come in a roundabout way second or third hand from the shoddy machine.

LETTER FROM THE CLOVERLAND MAGAZINE.

MENOMINEE, MICH., March 12, 1920.

HON. JOHN J. ESCH,
House of Representatives, Washington, D. C.

MY DEAR MR. ESCH: Cloverland magazine urgently requests your support of what is known as the truth-in-fabric law, hearings on which will begin before the Interstate and Foreign Commerce Committee of the House on March 19.

The magazine appeals to you personally, in view of the fact that it is doing a large measure of the development work for your State, which is part of Cloverland. While our work has been more in the interests of the northern part of your State, nevertheless, the value of the service performed reflects upon the entire commonwealth, as it adds to its development and prosperity.

The truth-in-fabric law has the unqualified support of every wool grower and of the farmers who have no more than a small band of sheep on their farms. The public has a right to such legislation, in order that it may know what wearing apparel is made of and what it really pays for. It has the same relation to wearing apparel that the pure food and drugs act has to food and drugs.

Under separate cover we are mailing you a copy of the November issue of Cloverland Magazine, in which you will find on page 6 a most able article on this subject by Roger M. Andrews, president of Cloverland Magazine. You will also please note the editorial indorsement, an indorsement that has been carried through all subsequent issues of the magazine.

Hoping you will give this measure your fullest support and lend your influence to hasten its passage, I am,

Sincerely yours,

HENRY A. PERRY, *Managing Editor.*

(The article referred to by Mr. Perry is as follows:)

[Cloverland, Nov. 1919.]

THE TRUTH-IN-FABRIC LAW WILL DO JUSTICE TO THE SHEEP INDUSTRY.

[By Roger M. Andrews.]

There was a time when "all wool" meant that any fabric so designated was honest cloth made from pure virgin wool and was synonymous with wearing quality. There was a time when the purchase of an "all-wool" garment was a good investment for rich

or poor, because it was an exchange of honest wool for honest money, a 100 per cent return for the dollar. Modern machinery and processes of renovating rag piles, reworking clippings from tailor shops and garment factories, have produced a fine "all-wool" shoddy that has robbed the old "all wool" trade-mark of its honest heritage, and to-day the slogan "all wool" many mean anything from a revamped heap in a junk yard to fabric made direct from the wool on a sheep's back.

The National Sheep and Wool Bureau of America, which has conducted a most exhaustive research into this situation, finds that at least two-thirds of all raw material used in making "all-wool" woolen clothing is shoddy and not virgin wool as the public believes. The bureau finds that fabric manufacturers can and do divert from the sheep man to the rag man a very large part of this demand from the public for virgin wool. Thus the practice of selling shoddy without letting its presence be known places both the public and the sheep man, in so far as the use of virgin wool is concerned, completely at the mercy of fabric manufacturers. The "rag pile millionaire" is in a one-sided competition with the honest sheep raiser, and the public is bunkoed daily with "all-wool" shoddy, while the subtle modus operandi of the dishonest fabric manufacturer is slowly but surely killing off sheep husbandry.

Nothing "ails the sheep industry" more than this unfair and too often down right dishonest competition. The honest merchant suffers with the buying public and the wool grower, for he, too, is at the mercy of the fabric manufacturer and is forced to accept clothing made from the "all wool and a yard wide" stuff which may be really all wool but a reworked fiber that has served mankind even unto the third and fourth generation—reworked until there is no tensile strength, no wearing quality, nothing but a distorted pattern after the first exposure on a damp day.

But the chicanery in fabric manufacture does not end with reworking woolen rags and palming off the material as virgin wool. Shoddy may be "all wool," and it may contain a mixture of reworked wool, cotton, wood fiber, hemp fiber, jute fiber, flax fiber, cheap furs, feathers, and perhaps other ingredients unknown to any but the shoddy manufacturers themselves. But these are fibers the National Sheep and Wool Bureau investigators have actually found in clothing creations sold under the "all wool" guaranty.

A bill will be introduced in both Houses of Congress at the December session, which, if enacted into law, will promptly and vigorously stamp out this heinous practice of juggling truth in fabric manufacturing. The bill is known as the truth-in-fabric law, and it should receive unanimous support from both Houses of Congress. We have a pure food and drug law that imposes heavy penalties for misbranding any article of food or drug. As clothing is second only in importance to food in our economic welfare—in fact it may be considered on a par with food—heavy penalties ought to be imposed upon those guilty of misbranding wearing materials.

The purpose of the truth-in-fabric law, as outlined in the original draft, is to "protect sheep husbandry from unfair competition with shoddy and to protect the public from deceit and profiteering that result from the unrevealed presence of shoddy in woolen fabrics and clothes, by making it compulsory to make known the presence of shoddy and cotton in woven fabrics and clothes made from such fabrics."

The law defines shoddy as wool fiber that has been previously spun and woven into any kind of material, wood fiber, hemp fiber, jute fiber, flax fiber, fur feather. Cotton is defined as cotton fiber that has never previously been spun and woven into cloth, and virgin wool is defined as wool that has never previously been spun and woven into cloth.

Each manufacturer will be required to obtain a Federal license and is required to mark indelibly and plainly on the selvage of every yard of goods manufactured the number of his license and the content of shoddy or cotton the material contains. Pure-wool goods, made from wool direct from the sheep's back will be marked "virgin wool." The legend on the selvage of the cloth will read thus:

"Reg. No. — (a) virgin wool 100 per cent."

"Reg. No. — (a) virgin wool — per cent; (b) shoddy — per cent."

"Reg. No. — (a) virgin wool — per cent; (b) shoddy — per cent; (c) cotton — per cent."

"Reg. No. — (a) virgin wool — per cent; (c) cotton — per cent."

"Reg. No. — (b) shoddy — per cent; (c) cotton — per cent."

"Reg. No. — (b) shoddy — per cent."

Jobbers, cloth wholesalers, garment manufacturers, and retailers are forbidden to accept cloth that does not bear this registration mark and identification of fabric on every yard of the selvage, and clothing manufacturers, tailors, and retailers are required to sew into each garment before it is offered for sale where it is easily accessible, a white cotton strip of cloth on which is indelibly written and in a manner that

will not be blurred or erased, the precise designation as that which appears on the selvage of the cloth from which the garment is made.

The truth-in-fabric law is made operative within 60 days after its passage. On all cloth manufactured prior to the operation of the law, and on all garments manufactured prior to the operation of the law, the manufacturer, wholesaler, jobber, and retailer are required to sew on a white strip plainly designating that the material or garment was in stock prior to the operation of the truth-in-fabric law.

All mills are required to make a monthly report to the Department of Commerce the amount and character of raw materials of all kinds used during the month, together with a list of the lots manufactured the preceding month, giving detailed and precise fabric information required under the law.

Penalty for the first offense under the law is a fine of \$10,000 or 1 year in prison, or both; for the second offense, \$25,000 fine or 3 years' imprisonment, or both; and for the third offense, 10 years at hard labor in the Federal prison, and also to be forever barred from the manufacture or sale of fabrics or apparel in the United States. Executive officers of corporations are amenable to the law the same as if they conducted the business individually or separately.

Importers are placed on similar regulations and the foreign tradesmen must comply to the letter of the truth-in-fabric law, or his goods will be barred from the United States.

The necessity for such a drastic law and the heavy penalties incorporated may be seen more clearly from the following article written by Mr. Richard Spillane, and published in the Philadelphia Ledger of April 19, 1919, under the caption, "Shoddy sold as wool deceit, if not fraud, on consuming public":

"In former days wool meant wool. 'All wool and a yard wide' was a term of some significance. A suit of clothes, an overcoat, or any garment of wool was expected to be of enduring worth. To-day it is not. The reason is that so much shoddy is introduced into woollens that the strength of the cloth is impaired.

"What adds to the complexity of the affair is that a man who has handled woollens all his life has difficulty in telling a cloth that is virgin wool from one that is part wool and part shoddy, or what proportion of the cloth is shoddy and what percentage wool. Only the maker of the fabric is competent to state.

"But there is one test that is infallible. That is the one of wear. Wool will wear 'until the cows come home.' Shoddy will show its bad features in short order.

"Goods made largely of shoddy should not be sold as all wool, even if technically the term is correct. It is not in the technical sense the term should be determined, but in the effect. In effect the buyer is deceived, if not swindled. This does not apply to the retailer. Far from it. The retailer wants to know absolutely and unqualifiedly the character of the goods he buys. Where 'reworked' wool is concerned he has to trust to the statement of the seller of the fabric. To a degree he is as helpless as the buying public.

"This is a queer state of affairs. But it is not peculiar to America. The British have the same problem. They used to have a noble reputation for the excellence of their woollens. A man who bought a suit of clothes 'made in London' was a proud individual, and not infrequently would boast the garment never would wear out. Incidentally he would make disparaging remarks about the poor quality of American goods.

"Now a man in London who buys 'all wool' gets a major portion of shoddy, just as he does in America. It is said the British try to do better by their home trade than their export, for the reason that the British climate is rigorous and the people must have stout woollens or there would be much suffering, but with all their efforts shoddy is making rapid strides in the United Kingdom, and especially so since the war began in 1914 and the shortage of wool drove textile men to consider substitutes or makeshifts in order to meet the emergencies of the day.

"Technically, shoddy is wool, but it is wool that is second hand or third hand or fourth hand or fifth hand or sixth hand or seventh hand or eighth hand. It comes from the refuse pile of the woolen mill or from the old clothes dealer or the rag man, and by being 'reworked,' that is shredded and cleansed and carbonized, it may be used again and again.

"In its pure state wool is wonderful in its wearing qualities. Any one who has worn real woolen garments appreciates this fact. But a lot of the stuff sold to-day as woolen goods is not so much wool as it is shoddy.

"The shoddy industry has assumed great proportions in America. It is said on high authority 80 per cent of the raw material used in manufacturing 'all wool' clothing is shoddy. That may explain why your clothes do not wear as they did in former days and why people complain of the poor quality of the woolen goods of to-day.

"Do not misunderstand the situation. There is not enough first-hand, first-class wool in the world to meet the world's needs for wool. In America the annual wool clip is only 300,000,000 pounds. That is less than 3 pounds per capita. The cotton crop, figured on a basis of 13,000,000 bales, would be 6,500,000,000 pounds, or 43 times as much as the Nation's production of wool. It must be understood, also, that all worsted goods are made of real wool, first-hand wools and not of 'reworked' stuff, which is shoddy. Deducting the large amount of wool consumed in worsted leaves only a moderate total for woollen goods.

"If the gentlemen who attend the Philadelphia conference address themselves to this question of 'shoddy,' the debate should prove one of the most interesting of the year to the textile industry, for the subject is so intricate and yet so easy of understanding that to some persons it is fascinating.

"In the first place, any one who declares that goods made of 80 per cent shoddy or 20 per cent real wool are not all wool would be stating an untruth. Shoddy is wool. There is no getting away from that fact. But it is revamped wool. It is wool that has lost strength through the reworking process to which it has been subjected, and the more times it has been reworked the poorer in quality it has become.

"There is not enough wool in the world to-day for all the needs of the people. There will be if the cultivation of sheep receives attention. That would help decidedly also in simplifying the meat problem. But whether the sheep crop is increased or not, shoddy should not be marketed as wool.

"To protect the public against fraud and safeguard the health of the Nation, Congress passed the pure food law.

"Why not a pure goods law?

"There is a thousand times more fraud in the shoddy that is passed off as wool than there ever was in the misbranding of food.

"There is a use, a legitimate use, for shoddy, but shoddy should be sold as shoddy and not as wool.

"So many men have become rich through deceiving the public by means of shoddy that they have come to be classed as ragsville millionaires. Recently, at the textile exhibition in New York, the shoddy people had booths displaying not only raw material, but finished goods of shoddy. They did not call it shoddy. In fact they protested against the term. They explained that shoddy was wool and a prejudice had developed and had broadened because of the name 'shoddy.' They had determined this should end. Therefore it was to be known henceforth as 'reworked wool.' And so it is known. And so it goes into garments. A suit of clothes may be shoddy, but it is 'all wool' if you wish to say so. But the public understands 'all wool' to be wool that is honest wool, fresh, so to speak from the sheep's back. Therefore shoddy is not, all wool, and the public is deceived if not defrauded.

"A great number of woollen mill men want to end this shoddy fraud.

"A great number of retail merchants want to stop the deception.

"So do the various manufacturers.

"Why not put an end to it?

"In the schoolhouses throughout the land children at their writing exercises get sentences to write. One of the favorites for generations has been the axiom that 'honesty is the best policy.'

"If it is the best policy, why dodge it?

"The Japanese, individually, have not the highest reputation for rectitude, but they are jealous of their reputation nationally.

"They are going out after world trade. They mean to establish themselves for all time in the markets of the world if possible. As a basis for enduring trade they are going to subject every article exported from Japan to rigid scrutiny. There must be no misbranding. Everything sent out must come up to specifications, must be honest, must be creditable to Japan.

"America is going after world trade.

"What will the customer of America who buys 'all wool' garments from the American manufacturer think when the trousers go lumpy at the first sprinkle because the 'all wool' from the ragsville has become lifeless from many carbonizations?

"Brand goods for what they are.

"Sell goods for what they are.

"If 'honesty is the best policy,' translate it into a fact in American trade at home and abroad."

LETTER FROM TEXTILES.

BOSTON, MASS., *March 17, 1920.*

HON. JOHN J. ESCH,
*Chairman Committee on Interstate and Foreign Commerce,
 House of Representatives, Washington, D. C.*

DEAR SIR: Inclosed is a statement on the French and Rainey bills for labeling wool goods, which I ask you to include in the published report of the hearings on these bills before your committee.

Yours, very truly,

SAM'L S. DALE, *Editor.*

THE FRENCH-RAINEY-CAPPER LABELING BILLS.

BOSTON, MASS., *March 15, 1920.*

HON. JOHN J. ESCH,
*Chairman Committee on Interstate and Foreign Commerce,
 House of Representatives, Washington, D. C.*

SIR: The French and Rainey textile labeling bills before your committee, also the Capper bill introduced in the Senate and a duplicate of the French bill, belong to an almost continuous succession of bills that, beginning with the Grosvenor bill of 1902, have since that time been introduced in the House and Senate to require the labeling of wool goods to show the proportions of the various materials of which the goods are composed, the supporters of these bills laying particular stress on the percentage of reclaimed wool, commonly called shoddy, as distinguished from other wool that has not previously been used in the manufacture of wool goods.

Object of the legislation.—These bills have been urged as necessary for the protection of the consumer against the adulteration of wool goods by which clothing is produced which, although attractive in appearance and selling at the price of all new wool fabrics, is lacking in durability, causing a double loss and fraud on the consumer by reason of the high price and inferior quality.

The relief for this burden proposed by the various bills has been to require goods made wholly or in part of wool to be labeled so that the purchaser could determine the value of the material by reading the inscription on the label. The gratifying results from the enforcement of the pure food laws and the acts requiring packages of various articles to be labeled to show the weight or measure have been cited as parallel cases proving the great benefits that would follow the enforcement of a law requiring the labeling of wool goods.

The consumers need protection.—This line of argument has naturally had great influence with the millions of consumers loaded down with the steadily increasing cost of living and the growing burden of taxation, conditions that have been so grievously aggravated since August 1, 1914. If wool goods can be tagged so that the retail purchaser can determine their intrinsic value by reading the label, laws requiring such labeling should be enacted and enforced, because clothing is one of the three primary necessities of human life in temperate and cold climates.

A beautiful theory and an ugly fact.—Like many of the best laid schemes of mice and men, however, this one to require the labeling of wool goods is but an illustration of a tragedy as defined by Herbert Spencer, "a beautiful theory slain by an ugly fact." I have outlined the beautiful theory. The ugly fact is that the French-Rainey-Capper bills for labeling wool goods, not only can not be enforced, but that the attempt to enforce them would aggravate the conditions they are intended to remedy, thus laying an additional burden on the already overburdened people of this country.

Fundamental facts.—A few fundamental facts should be understood at the start and accepted without mental reservation in order to avoid wandering into bypaths of error in the consideration of the plan to label wool goods.

(a) Wool as it comes from the sheep's back varies widely in what constitutes quality, length, strength, fineness, and flexibility.

(b) Shoddy is wool obtained by tearing into a fibrous mass yarn or cloth containing wool, so that it can again be carded, spun, and woven into cloth, and also varies widely in length, strength, fineness, and flexibility of fiber, soft-twisted yarn spun from the best wool and loosely woven or knit into unfelted fabric naturally yielding the best quality of shoddy.

(c) As a result of the wide variations in the quality of wool and in the methods of spinning and twisting yarn, and weaving and finishing wool fabrics, much of the reclaimed material called shoddy is superior for the manufacture of clothing to much

of the wool as it comes from the sheep's back, although it is without exception a fact that a reclaimed fiber of shoddy is inferior for manufacturing purposes to the same fiber before it was manufactured into yarn or cloth the first time.

(d) As the processes by which wool is converted into yarn and cloth do not change the chemical composition of the wool fiber, it follows that fibers of wool as they come from the sheep's back and as they are obtained in the form of shoddy or reclaimed wool, will give exactly the same chemical reactions, and that for this reason there can be no chemical test to distinguish in yarn or fabric the fibers of wool that have been previously used in the manufacture of wool goods from those fibers which have not been so used.

(e) The appearance of a wool fiber is changed slightly by the processes of manufacture and conversion into shoddy, the surface being made smoother by the wearing off of the scales that are characteristic of wool and by the breaking of some of the fibers. As wool from the sheep's back varies widely in this respect, from fibers with a surface thickly studded with scales to fibers so smooth and free from scales as to resemble hair, and as but a comparatively few of the fibers of shoddy are found to be broken or split, it is plain that neither the number of scales on the surface of the fibers nor the number of broken or split fibers supplies any reliable indication of whether wool fibers found in a fabric have been previously spun or woven into cloth.

(f) There are several reliable and easily made chemical tests by which wool can be distinguished from vegetable fibers, such as cotton, linen, hemp, and jute.

(g) It follows from (d) and (e) that when wool from the sheep's back is mixed with shoddy and spun or woven into cloth, it is impossible to distinguish one from the other by chemical tests or microscopic examination, and it follows from (f) that wool fibers, including both new wool and shoddy, can be distinguished from the vegetable fibers.

(h) The manufacturer of yarn and cloth composed of mixtures of new wool and shoddy with or without the admixture of other fibers has a record of the weight of each kind of material going into the batch of loose stock before manufacture into yarn or cloth, but he does not know what proportions of such materials are in the yarn or cloth, this lack of knowledge being due to the following influences, which can not be determined: (1) The relative shrinkage, visible and invisible, of the different materials in the processes of manufacture; (2) the amount of oil, soap, or other material added to the stock during manufacture and which remains in the yarn or finished cloth.

(i) For the same reasons it is equally impossible to distinguish cotton fibers that have not been previously used in the manufacture of cloth from cotton fibers that have been so used, when both are mixed and manufactured into goods.

Impossible provisions.—Place the facts given above alongside the following provisions of the French-Rainey-Capper labeling bills, and these bills fall of their own weight of absurdity and impossibility.

1. All fabrics in interstate commerce and purporting to contain wool, whether made in the United States or imported, to be stamped on the back of every yard of such fabric, showing the proportions of new wool and shoddy contained therein.

2. Samples of such goods to be examined in the Bureau of Chemistry or the Bureau of Standards to determine whether the information stamped on the fabrics is correct, the officer or analyst to certify under oath as to the result of such examination.

3. New wool designated as "virgin wool" is defined as wool never previously spun or woven into cloth.

"Shoddy" defined as wool, cotton, silk, or other fiber that has been previously spun or woven into cloth, and also as flax, hemp, jute, wood, fur, feathers, and hair, whether or not previously spun or woven into cloth.

Cotton or silk that has not been previously spun or woven into cloth is "cotton" or "silk," not "shoddy."

4. All manufacturers of goods purporting to contain wool to be numbered by the Government, and any manufacturer whose goods are found in interstate commerce to be unstamped or falsely labeled under the act, and any person who shall sell or offer to sell goods found to be unstamped or falsely labeled, and any manufacturer of such goods shipping his products without having his number registered by the Government shall be guilty of a misdemeanor punishable by fine or imprisonment or both.

What would you think of such men?—With the facts stated above in mind, I ask you to decide what punishment you would measure out to the perjurer who in order to keep a job in the Bureau of Chemistry or the Bureau of Standards would take his oath that a sample of cloth he had examined contained so much wool, cotton, or silk fiber that had never been previously spun or woven into cloth, and so much fiber, wool, cotton, or silk that had been previously spun or woven into cloth, and would

promoter of the propaganda has not hesitated to appeal to the selfish desire of wool-growers for a wool famine and higher prices, in order to arouse interest in the campaign for what they call "virgin wool fabrics," the following extract from one of his recent addresses before an audience of woolgrowers in the far West being an example:

"If manufacturers used virgin wool instead of shoddy, all the virgin wool that accumulated during the war, and all the virgin wool produced in the world in the year 1919, would long ago have been made up into cloth, and the woolgrower would not, as now, need to worry about antidumping laws; there would be no wool to dump."

From beginning to end their appeals have been burdened with the words: "virgin wool" to distinguish new wool from reclaimed wool, which they are equally insistent on calling "shoddy."

One reason for the agitation.—Now, what is the bearing of these facts on the labeling bills before your committee? It is that the name "virgin wool" as distinguished from "shoddy," misleading as I have pointed out to you, is the trade name under which the wool goods manufactured by these particular promoters of propaganda are sold; and that the French-Rainey-Capper bills propose to give the prestige of a United States law to this trade name "virgin wool," and also to the false assumption that new wool, thus designated by the name "virgin," necessarily means superiority in wool fabrics. Furthermore, these bills propose to give additional support to the campaign of these manufacturers by incorporating in the law of the United States the same word "shoddy," which the promoters of this propaganda use to create the false idea that goods containing reclaimed wool, thus designated by the word "shoddy," are necessarily inferior to goods made of new wool.

Before passing on these bills I ask that your committee determine the effect of incorporating in the law of the country the misleading terms "virgin wool" and "shoddy" to distinguish new wool and reclaimed wool, and whether by so designating new wool, Congress would not be creating the extraordinary situation by which a private trade-mark, protected by common or statute law, would receive the high sanction of the United States law as the only legal designation of fabrics made of new wool.

A premium on dishonesty.—Under the French-Rainey-Capper bills detection of false labeling would be impossible because of the facts I have already stated. A premium would thus be placed on dishonesty. The dishonest manufacturer could place the "virgin wool" label on goods made of say 75 per cent of reclaimed wool and thus profit by the unfounded prejudice in favor of new wool and against reclaimed wool. The honest manufacturer making goods in which there was 10 per cent of reclaimed wool would place the "shoddy" label on the goods and thus suffer from the consequences of his honesty and the prejudice against reclaimed wool. And the consumer? He would be defrauded in both cases.

How to protect the consumer.—Although the French-Rainey-Capper bills are utterly unworkable there still remains the pressing need of protection to the consumer, particularly at the present time when the cost of living has become so high as to prove not only a heavy burden to the people, but a menace to the public peace. The consumers do indeed need protection against misrepresentation and fraud in the sale, not only of wool goods, but of all kinds of products that enter into the cost of living, and the producers also need the same protection in the purchase of materials that go into the manufacture of their products. Wool, cotton, silk, hemp and jute goods, knit, braided and felted fabrics, as well as woven cloths, foodstuffs, building materials, all the articles that are offered for sale at wholesale as well as retail, supply illustrations of the need of laws, State as well as national, that will protect the people of this country against misrepresentation and fraud.

To give them this protection so far as Congress can give it, I ask that your committee recommend the enactment of a law based on a principle which has successfully stood the test of actual experience in other countries, that of prohibiting, under penalty of fine or imprisonment or both, the false labeling and false representation, oral or written, of products of all kinds offered for sale in interstate commerce. Such a law has protected the British public since 1887 and on it have been modeled laws in most of the British colonies and dominions. A bill based on this principle and evidently modeled after the English merchandise marks act, has been introduced by Hon. A. W. Barkley and is now before your committee. I ask you to perfect it, for it needs amendment, and then report it favorably to the House of Representatives. That would be a practical step for the relief of the consumers of the country. It would be an example in interstate commerce that the States should follow in intrastate trade. The French-Rainey-Capper bills propose a visionary and impossible scheme, never attempted in this or any other country, and which now finds its support in the misinformation of the public and the greed of special interests.

SAMUEL S. DALE.

LETTER FROM THE NATIONAL ASSOCIATION OF WASTE MATERIAL DEALERS (INC.).

NEW YORK, March 19, 1920.

Hon. JOHN J. ESCH,

Chairman Committee on Interstate and Foreign Commerce, Washington, D. C.

DEAR SIR: Your letter of March 13 received and I beg to thank you for your courtesy in advising me in reference to when this organization could appear before your committee.

Since writing you I have had an opportunity to place the matter before the woolen rag division of this association and after careful and thorough discussion, we have decided to simply write you this letter formally protesting against the proposed legislation. We believe, however, that Congress might well determine its course of action by the information it will undoubtedly receive from manufacturers whose interests would be so materially affected by any such legislation.

Were woolen rag graders to actively work against the legislation proposed, we feel that they might be misunderstood by the general public. Notwithstanding all the false statements which have appeared in the press in reference to the deception practiced by rag dealers, it is hardly possible that any man with ordinary intelligence would believe that there was any possible chance for deception so far as the rag man is concerned. Certainly the consumers of rags will tell your committee that they never are deceived as to what kind of rags they are using; therefore if there is any deception the rag man must be left out of it.

I inclose a number of articles on this subject which may be of interest to your committee, as they have a bearing on the view which this association holds in reference to the matter. This organization has but one request to make in reference to this entire proposition, namely, that if your committee and if Congress comes to the conclusion that such legislation is necessary, that you see that the word "shoddy" is eliminated from any bill and the words "reworked wool" substituted, otherwise you will do an injustice to the rag and reworked wool dealer, as well as to the general public. Shoddy, as it is understood by the general public, no more conveys the real truth as to what 90 per cent of the fabric made out of woolen rags is than would any other word which might be haphazardly picked out of the dictionary.

Thanking you for the attention and consideration which I know your committee will give this communication, I am,

Cordially, yours,

CHAS. M. HASKINS, *Secretary.*

Following is an editorial which appeared in the New York Journal of November 20, together with a reply to same by the secretary of this association. This is sent you for your information. The picture referred to was the cartoon showing the alleged distribution of the money spent by the public for clothing, with which you are probably familiar.

CHARLES M. HASKINS, *Secretary.*

[Editorial.]

TOO LITTLE FOR THE SHEEP MEN, TOO MUCH FOR THE SHEARERS—THE "SHEARERS" ARE THE CUNNING GENTLEMEN THAT SELL SHODDY AND OLD RAGS UNDER THE NAME OF "CLOTH."

This picture comes from Alexander Walker, intelligently interested in the National Sheep and Wool Bureau of America.

At the top of the picture you see the money that the public spends for pure wool, the money that ought to go to the men that raise sheep, and the honest manufacturers that sell good cloth.

Below, at the right-hand corner, you see the little dribblets of money coming through to the sheep men. At the left-hand corner you see the large stream of cash flowing down to the gentlemen that manufacture "shoddy."

This picture tells its own story plainly enough and emphasizes once more the fact that it is necessary for the people, through their national and local governments, to protect themselves and interfere with the public plunderers.

The sheep industry in the United States has dwindled, partly because individuals are allowed to amuse themselves raising dogs that kill and worry the sheep, partly because swindlers that make dishonest cloth keep using the same old rags over and

over in their manufactures, and discourage shepherds that raise sheep and produce pure wool.

The law should compel every manufacturer of cloth to say, on the cloth, exactly what it is, and to leave on the label until it is taken off by the individual that buys the finished suit of clothes, or the dress. This would protect the public, protect the sheep men, and protect honest manufacturers, of whom there are many, men that sell what they pretend to sell and do not swindle the public.

The picture illustrates one of a thousand schemes for robbing the public. The law protects the shoddy men in the possession of their property, it ought to protect the public in the spending of its money.

But unfortunately, when laws are made and rules are enforced, the public is away somewhere busy. As Roosevelt said, "The public does not take its own part, and nobody else bothers to take it."

NOVEMBER 22, 1919.

EDITOR NEW YORK JOURNAL.

New York City.

DEAR SIR: On the editorial page of your issue of November 20 you had an editorial entitled "Too little for the sheep men, too much for the shearers," and as a subheading, the following: "The shearers are the cunning gentlemen that sell shoddy and old rags under the name 'Cloth.'"

I desire to take exception, on behalf of this association, to your reference to the rag dealers and shoddy manufacturers as "cunning gentlemen." Every shoddy manufacturer who buys rags knows exactly what he is buying. There is absolutely no chance for the rag dealer to deceive him. The very processes through which rags go to become shoddy or reworked wool absolutely forbid of any deception, and the writer, who has been familiar with the rag and shoddy trade for many years, never heard of a shoddy manufacturer who would admit that he could be deceived in reference to the class of material he was purchasing from the rag man. The same thing is absolutely true in the relations between the shoddy manufacturer and the cloth manufacturer. The cloth manufacturer, through the very process of turning the shoddy into cloth, is in a position to know exactly what class and grade of material he is buying from the shoddy manufacturer. It is very unlikely that the woolen manufacturer is going to try and deceive the jobber, the commission merchant, or the clothing manufacturer. Now, if I am right, what opportunity does either the rag dealer or the shoddy manufacturer have to "cunningly deceive" the ultimate consumer?

A fair investigation would convince anyone with an open mind that the deception, if any, is with the clothing manufacturer or the retail dealer and not with the shoddy manufacturer or the rag dealer who, through their industry, are making it possible for millions of our people to clothe themselves with material obtainable at anything like reasonable prices.

In view of the very large circulation which your paper has, particularly among a class of people, many of whom are in no position to buy all virgin wool goods, it seems to me that if you are going to take up editorially the comparative values of virgin woolen cloth and cloth made of reworked wool which, in your editorial, you refer to as "Shoddy and old rags," you should go farther and advocate that a manufacturer of paper should be compelled to state just what proportion of the manufactured product is woodpulp and what proportion is rags, and that the manufacturer of automobile tires should stamp on the tire what proportion of the rubber used was scrap rubber and what proportion was crude rubber, and that the foundrymen should designate on each casting made how much new metal and how much scrap metal had been used. In fact, there are any number of lines of manufacturing where a substantial percentage of the raw material is waste material. Why pick on the shoddy manufacturer and the rag dealer and refer to him as a "cunning individual" when every department of the Government during the recent war welcomed his efforts and devoted more time to the conservation of waste materials than to any other single project connected with the winning of the war?

Are you aware that just as cotton rags will make a better grade of paper than the natural raw material, wood pulp, so will many grades of woolen rags make a better piece of goods, both in looks and in wearing qualities, than if made of a low grade of virgin wool.

In view of the tremendous possibilities of a paper like yours to promote anything of an educational nature, I would like very much to have you take the inclosed photograph, which shows a man dressed in 14 ounces of cloth, which is the estimated amount that each person would receive each year if all the wool produced throughout the world were manufactured into cloth without admixture of wool waste or shoddy and distributed equally among the people living outside of the Tropics, and write an

editorial around it which would point out and explain to the general public that the term "all wool" means simply and solely that the article contains nothing but wool fiber and not necessarily all virgin wool. A piece of goods may be accurately described as "all wool" and still contain 90 per cent of rag stock; all that is necessary is that the rag stock be wool.

In your editorial you refer to the "intelligently interested Mr. Walker." It is true that Mr. Walker is giving wide publicity to a campaign in favor of virgin wool goods, but so far, Mr. Walker, in the opinion of the writer, has simply preached a doctrine which will create discontent in the mind of the average purchaser of clothing, without giving such a person any intelligent explanation as to what he must be satisfied with should he find it beyond his means to buy virgin wool cloth. Manufacturers claiming to manufacture only virgin wool fabrics advocate a compulsory distinction between shoddy, now known as reworked wool, and virgin wool fabrics, claiming that it would prevent deception and profiteering. Such compulsion would mean that 90 per cent of the men, women, and children living outside of the tropics would be compelled to go about advertising the fact that they could not afford to wear what the other 10 per cent were wearing.

Your editorial referred to above is going to leave a "bad taste" in the mouth of people of moderate means, many of whom would be no better off were they able to distinguish between a piece of goods made of virgin wool and one made of virgin wool and reworked wool combined.

Yours, very truly,

CHAS. H. HASKINS, *Secretary.*

[From the Daily News Record, New York.]

REWORKED WOOL AND THE RETAIL CLOTHING DEALER.

[By Charles M. Haskins, secretary of the National Association of Waste Material Dealers (Inc).]

What should be the attitude of the retail clothing trade in reference to reworked wool? Is it to their own interest or the interest of their customers that they continue to fight shy of the term shoddy or reworked wool and use these terms only when desiring to indicate to their customers a comparison between the class of goods they handle and those handled by their competitors, or would it be far better both for themselves and the public which they serve to face the facts, acknowledge that a large proportion of all clothing made contains a substantial percentage of reworked wool and do their share in educating the public both to the necessity of such a substitute for virgin wool and the value of it?

The story used to be told of the clerk in a large department store who, when asked by a lady as to the origin of mohair, replied, "It comes from a little animal called the mohair," but those kind of clerks, if they ever existed, have disappeared, and the average clothing-house salesman of to-day has the ability and intelligence to thoroughly explain to his customers that shoddy is not synonymous with trash, which is the false opinion held by many to-day.

For years the clothing trade have, in a sense, been taking money under false pretense in that they have emphasized the fact by advertising and other methods that their goods were all wool. Their statements were true enough, even though 50 per cent of their goods might have been wool shoddy, but the average person has bought such goods with the belief that all wool meant virgin wool. Now, along comes an advertising campaign for virgin woolen goods, and the cat is out of the bag. Certainly all the clothing manufacturers can not claim they are making nothing but virgin-wool fabrics, because careful students of the subject have developed the fact that all the virgin wool in the world would only allow 14 ounces a year to each man, woman, and child living outside of the Tropics.

It is useless to claim that any large proportion of the people of the world can use entirely virgin-wool fabrics, even if they could afford to pay the price. You can not get blood out of a rock, and you can only get wool from a sheep's back.

In the summer of 1918, when this country had only about 4,000,000 men under arms, Gen. March, Chief of Staff, testifying before the Senate Committee on Military Affairs, made the following statement: "We must commandeer—and we have done so—all of the wool in the United States, and we have also taken the wool of Argentina. We are going to put the whole civilian population on shoddy for the next year."

If all the available wool in this country was needed to give our soldier boys virgin-wool uniforms (their overcoats and blankets contained a large percentage of reworked wool), how can 110,000,000 people expect to wear virgin-wool fabrics?

A campaign in favor of all virgin-wool fabrics may appeal to the very wealthy, but what is needed for the public generally is a campaign of education to enlighten it as to the real value of reworked wool, which it has known in the past as shoddy. In the opinion of the writer the best interests of the clothing trade demand that they share in this educational work.

LETTER FROM JOHN C. COTTRELL.

EAGLE BRIDGE, N. Y., *March 22, 1920.*

HON. JOHN J. ESCH,
House of Representatives, Washington, D. C.

DEAR SIR: At the spring meeting of the Washington and Rensselaer Counties (N. Y.) Wool Growers' Association held at Eagle Bridge, Saturday March 20, the inclosed resolution was adopted. I also inclose you some extracts from the Soil Survey of Washington County and Bulletin 89 of the New York State Department of Agriculture showing the decline in the sheep industry in this section.

Washington County is admirably adapted for the raising of sheep but has dropped out owing to the unprofitable nature of the business in the past. At the present time notwithstanding the good prices wool and mutton are bringing there us practically no market for store sheep owing no doubt to the uncertainty of the future of the wool industry.

I believe that the passage of the truth-in-fabric bill will do much to stabilize the industry and make it possible to get back some of the ground we have lost as a wool producing county. I am

Very truly, yours,

JOHN C. COTTRELL.

RESOLUTION ADOPTED BY THE WASHINGTON AND RENSSELAER COUNTIES (N. Y.)
WOOL GROWERS' ASSOCIATION AT THEIR SPRING MEETING MARCH 20, 1920.

Whereas a large part of the raw material used in manufacturing woollen fabrics and apparel sold as all wool is shoddy, and not virgin wool as the public believes; and Whereas the public does not even suspect that the term "all wool" may mean wool that has previously been used in cloth; and

Whereas the term "all wool" is a mere general term that may include shoddy; and Whereas even the most inferior shoddy may be all wool; and

Whereas the term "all wool," because it fails to distinguish between the shoddy and virgin wool, permits fabric manufacturers to secure virgin wool prices for shoddy fabrics, and thus places tremendous premiums on the use of shoddy by fabric manufacturers, discourages the use of virgin wool by fabric manufacturers, and causes the fabric manufacturers to divert the public's demand for virgin wool, from the wool growers to the shoddy manufacturers; and

Whereas the term "all wool," because it fails to distinguish between shoddy and virgin wool places the public at the mercy of fabric manufacturers; deprives the people of the right to choose between shoddy and virgin wool; deprives the people of the knowledge of whether they are purchasing shoddy or virgin wool—the knowledge that is the people's sole protection against those who would charge virgin wool prices for shoddy; and thus rob the public; and

Whereas the unrevealed presence of substitutes, especially shoddy in fabrics and clothes, abrogates the law of supply and demand; places a premium on deceit and profiteering, and violates economic law and outrages moral law; therefore be it

Resolved, That this Washington and Rensselaer Counties (N. Y.) Wool Growers' Association earnestly urge in the interests of truth and justice, and for the protection of the public, that the United States at the earliest possible moment enact legislation, making it compulsory to make known the presence of substitutes for virgin wool, especially shoddy, in fabrics purporting to contain wool and apparel made from such fabrics; and in order that this worthy object may be speedily accomplished in the interests of all the people, we request the earnest cooperation of all who desire to see right prevail and honest practice established in all branches of business.

EXTRACTS FROM THE SOIL SURVEY OF WASHINGTON COUNTY, N. Y., PUBLISHED BY THE NEW YORK STATE DEPARTMENT OF AGRICULTURE IN 1910.

* * * * *

Early in the past century the sheep industry had assumed a position of prime importance. In 1825 the number within the county was considerably greater than 100,000, and 10 years later, in 1835, there were 206,157 head of sheep on the farms of the county.

The height of the industry was reached in 1845, when the total number of sheep within the county was 254,866, and the wool clip amounted to 579,056 pounds. At this time there were 64 sheep to every 100 acres of cleared land in the county.

* * * * *

The importance of keeping sheep on the farms of Washington County to utilize the rugged hill pastures with thin soils was long ago recognized, for "flock of sheep, requiring as it does but little time and attention during the busy period of the year, will occupy that portion of the farm which is least convenient for tillage, and thus add an important item to the proprietor's income. * * * Without increasing in any sensible degree its expenses, and without interfering with and hindering other operations, a limited number of sheep can be supported, mainly upon such portions of the farm as would otherwise be neglected and for the time valueless."

This statement is just as true to-day as it was 60 years ago, when it was written by Dr. Fitch, and can not be too strongly brought to the attention of the Washington County farmers.

Bulletin 89, published by the New York State Department of Agriculture, gives the number of sheep in Washington County, N. Y., as 17,305, January 1, 1916.

It is probable that the number given above has not been increased at the present time. It is quite possible there are less sheep now than in 1916.

At the present time there is practically no market for store sheep, owing probably to the uncertainty of the future of the wool industry.

LETTER FROM THE COMMERCIAL CLUB OF BELLE FOURCHE.

BELLE FOURCHE, S. DAK., *March 30, 1920.*

Hon. JOHN J. ESCH,
House of Representatives, Washington, D. C.

HONORABLE SIR: I wish to call your attention to the inclosed resolution on the truth-in-fabric bill and would sincerely appreciate any effort that you might put forth in its behalf.

Very respectfully, yours,

JAMES E. STEWART, *Secretary.*

RESOLUTIONS PASSED BY COMMERCIAL CLUB OF BELLE FOURCHE, S. DAK.

Whereas at present the buyers of woolen garments are being misled into believing that they are getting pure wool garments, while in most cases the garments contain a large percentage of shoddy material and in many cases cotton; and

Whereas they have a right to know what they are buying in order that they may buy intelligently and buy the quality of goods that they want; and

Whereas the men now raising wool are selling at a disadvantage and are putting their wool up against shoddy material, which is being sold as wool, and therefore getting less than they are entitled to for their wool: Now therefore be it

Resolved, That the Commercial Club of Belle Fourche indorse the truth-in-fabric bill now before Congress and urge its immediate passage in order that the wool interests of the country be protected against misrepresentation as to quality and against having to throw their wool on the market in competition with shoddy material and that the purchasers of the finished goods may know what they are buying and the value of it as compared to the virgin wool.

LETTER FROM THE DAILY MILL STOCK REPORTER.

NEW YORK, April 9, 1920.

Hon. JOHN J. ESCH,

*Chairman House Committee on Interstate and Foreign Commerce,
Washington, D. C.*

SIR: A review of the testimony offered to your committee by the protagonists of the various truth-in-fabric bills has brought out one or two points that, apart from the question of virgin wool and reworked wool, affect the general economics of the question of labeling. We have thought it consistent as a trade paper dealing with the several industries interested in virgin and waste materials to present to you views on the principles exposed by the proposed bills that may have escaped the attention of your committee.

We are, sir, very truly, yours,

DAILY MILL STOCK REPORTER,
SAM WAKEFIELD, *Associate Editor.*

BRIEF SUBMITTED BY THE DAILY MILL STOCK REPORTER.

The old maxim "waste not want not" does not appeal to the average American, perhaps so much as to the people of the old countries, because of the abundance of natural products here. It has been truly said that America remains a wealthy nation in spite of the wastefulness of the population, and also because of her natural resources. Shortage of the necessary labor to prepare the soil and to harvest crops, or to extract from the earth the mineral wealth is, however, having its effect on all natural or virgin materials. In normal prewar times this condition would have had important effects on cost and production; the enormous destruction of material during the last five years has very considerably intensified the general shortage of supplies. It is opportune to consider seriously this condition of supply and to meet the shortage by every means of conservation.

During the last few days Secretary of Commerce Alexander urged American housewives, with the slogan "Don't waste waste," to consider carefully the advantage and the necessity of this national conservation. Calling attention to the possibility of utilizing much of the refuse which will be disclosed by the spring house cleaning, Secretary Alexander said: "At least \$450,000,000 worth of waste paper, rubber, metals, and other articles sent to the rubbish heap each year can be reclaimed. The lessons learned during the war should not be forgotten. It is very essential that every means of offsetting the high cost of living be found. Turn waste back into the channels of commerce by selling odds and ends to the junk dealer who will start them back into useful trade."

These remarks of Secretary Alexander are not novel, the excellent work of the Government Waste Reclamation Service is still in our memory, and Secretary W. C. Redfield's labors and testimony on its behalf will long remain to his credit. "Any movement which would tend to discourage the conservation and utilization of waste material or on any particular item of waste, would work a hardship upon the industries and the people of this country."

There is not a journal in the length and breadth of the United States that has not advocated in some manner or another the necessity of production and still more production, but "you can not make bricks without straw," and the recent hearings before the House Committee on Interstate and Foreign Commerce in Washington cause one to wonder if selfish interests displayed there are such as Secretary Redfield includes in "those who discourage the conservation and utilization of waste materials."

We have emphasized the words "Start them back into useful trade." All the endeavors of Government, of journals, or of private individuals, in favor of conservation are as naught without the final endeavor to start them back into useful trade. The miser's hoarded gold is of no more value than would be the conservation of waste materials without an ultimate utilization. Yet during the last few weeks there has been a pitiful example of the waste of time and money at Washington. Leading manufacturers, who in posterity will be looked upon as patriots, have given their energies to combating an attempted restriction on the utilization of waste materials.

Waste materials. Is there such a thing in existence? Nature does not permit it, and if man neglects the utilization to the fullest extent of nature's bounty, he will surely suffer. There is not an object in the animal, vegetable, or the mineral kingdom that is not useable time and time again. "Necessity is the mother of invention,"

and never in this world's history existed greater necessity than at present for conservation, and, as a natural corollary, never has there been greater scope for inventive genius.

While our minds have lately been centered on virgin and reworked wool, and the proven necessity of woolen rags, not as a substitute for, but as copartner with new wool, Secretary Alexander enlarges the field by including "waste paper, rubber, metals, and other articles." The utilization of waste paper and cotton rags in the paper-making trade and the dire necessity for the conservation of suitable materials to this end was forcibly and reasonably treated in the Daily Mill Stock Reporter issue of March 11, 1920.

No branch of the utilization of waste material offers such a varied range of possibilities as that of india rubber. Its possibilities are as yet in their infancy, and although perhaps in this country its reuse in motor tires looms largely in the public mind, this is a comparatively minor use to which its utilization can be put. Pure cautchouc is rarely if ever used in manufacturing processes, and the vulcanizing processes add to it substances that can be serviceably reclaimed. Oils, varnishes, and resins may be mentioned as by-products from old as well as crude rubber. Its advantageous use was well brought out at the hearings on the truth-in-fabrics bills by Dr. S. W. Stratton, Director of the Bureau of Standard, who said "it (the labeling) might mislead the public into the belief that an article made of pure wool or pure rubber is better than an article made of reclaimed wool or rubber, when such is distinctly not the case."

The importance of scrap iron in the steel industries is exemplified by the use of enormous quantities of this material by the Carnegie Steel Co. and the Bethlehem Steel Co. Both these firms are producing the finest of finished materials from an admixture of old iron and metallic ore. Our armor-plated battleships could not have been built without the aid of this and similar scrap material.

The valves and fittings of American engines, land or marine, depend in their manufacture on the utilization of scrap brass. The Crane Co. of Chicago, and the American Brass Co., of Waterbury, Conn., both large producers of metal articles necessarily constructed of brass and copper are large purchasers of scrap brass.

In the industries noted, as also in every important manufacture in this country, preused materials form an integral part of the product. The iron founder, the producer of articles of brass, the rubber worker, the manufacturer of clothing in cotton and wool, the papermaker—each would find an insuperable difficulty in supplying the Nation's requirements without the use of the previously rejected materials.

Manufacturers have continued for many years the utilization of scrap materials and the user of the finished product has never questioned the mixture of virgin and used components. Whether the articles have contained scrap material, or what is the percentage of them if so used, has made no difference to the ultimate consumer.

The principle involved in the Capper-French-Rainey truth-in-fabric bills, is, however, equally applicable to any scrap material as to reworked wool. Alexander Walker, in his brief before the House Committee on Interstate and Foreign Commerce, states: "Most genuine articles have a substitute and that part of industry which has to do with substitutes is also perfectly legitimate so long as the substitutes are sold as such and not as the genuine article." Whatever reasons could be adduced by the sheep and wool interests may quite as logically be adopted by the iron producer against scrap iron, the copper miner against scrap copper and brass, and the manufacturer of paper pulp against old rags, old papers, and other materials.

During the last two weeks there have been presented to the public by the members of the United States Government two entirely opposite attitudes, namely, the statement of Secretary Alexander, quoted above, and supported by every Government agency during the war, advocating the saving of every scrap of material, irrespective of the grade or description, and on the other hand congressional committees in session hold hearings of testimony that have, and can have, no other purpose than that of legislating to such an end that these materials shall be branded and held up to the American public as objectionable and undesirable.

We believe, however, that the mass of evidence favorable to the unrestricted use of reworked wool placed before the House Committee on Interstate and Foreign Commerce will have finally convinced Congress of the shallow pretext under which the several bills have been brought before them. A Government which has repeatedly and strongly advocated the conservation of waste materials will see to it that the reuse of any scrap material shall not be restricted.

"The hearings at Washington, however," says W. Loewenthal, textile editor of the New York Times, "have had one good effect. They have shown how flimsy is the pretext for the enactment of the truth-in-fabric bill."

LETTERS FROM ALFRED A. WHITMAN.

NEW YORK CITY, April 9, 1920.

Mr. ESCH,
*Chairman Committee on Interstate and Foreign Commerce,
 House of Representatives, Washington, D. C.*

MY DEAR MR. ESCH: I have just received the attached letter from Maurice Goldstein, secretary of the Wool Stock Graders Association, inclosing a letter from Secretary William C. Redfield, which seems to me of sufficient importance to warrant my sending it to you.

I wish to take this opportunity to thank you in the name of the American Association of Woolen and Worsted Manufacturers for the courtesy which was accorded our committee during the recent hearings on the fabric-labeling legislation, and beg to remain,
 Very truly, yours,

ALFRED A. WHITMAN.

WOOL STOCK GRADERS ASSOCIATION,
New York, April 8, 1920.

Mr. ALFRED WHITMAN,
*American Association of Woolen and Worsted Manufacturers,
 New York City.*

DEAR SIR: I beg to direct your attention to a report of a statement alleged to have been made before the Committee of Interstate and Foreign Commerce during a hearing on truth-about-fabrics bills.

George D. Briggs, advertising manager of Strong-Hewatt & Co., is reported to have testified on March 31 that former Secretary of Commerce William C. Redfield has stated that the sheep industry has been deterred by the masquerading of shoddy as all wool. I inclose in duplicate copy of a letter from Hon. William C. Redfield, dated May 12, 1919, which in my opinion entirely refutes the statement of Mr. Briggs, and sets forth very clearly in complete detail the view of Secretary Redfield on this subject.

Yours, very truly,

MAURICE GOLDSTEIN, *Secretary.*

DEPARTMENT OF COMMERCE,
Washington, May 12, 1919.

DEAR SIR: I was greatly interested in your recent communication in which you advised that a campaign in opposition to the use of reworked wool in the manufacture of woolen cloth is about to be inaugurated. You will readily understand my interest in this matter, as I have recently organized a bureau, known as the Waste Reclamation Service, to serve the industries and communities of this country in a manner similar to the service now being performed for the people of Great Britain by the national salvage council of that country. Any movement which would tend to discourage the conservation and utilization of waste material, or any particular item of waste, would not only hamper the Waste Reclamation Service in developing the program for a national system of conservation of waste, but would also work a hardship upon the industries and people of this country.

I have been keenly interested in the development of the reworked woolen industry of this country even prior to the organization of the Waste Reclamation Service, and this department has made several investigations covering this industry and its value to the people of this country as a means of checking advancing costs of the principal items of clothing. The Bureau of Standards of this department has conducted searching investigations in this field, which have revealed the worth of reworked wool as a means of meeting the increasing shortage in the country's supply of virgin wool. The official conducting the tests of reworked wool reports that "Reworked wool can be made up into cloth that is all it should be at the relative price. Our experiments have proved this. For example, take three classes of wool—XX, half blood and quarter blood. Cloth reworked from the first class, while it will not be as good as cloth made from the original XX wool, will be better than the cloth made from the second class, and by far better than cloth made from the third. Cloth again worked up from this shoddy will equal that made from the second class, that is, the half-blood wool, and be better than cloth made from the third class. Much depends upon the care with which the reworked wool is handled and made into

cloth. But reworked wool from the first class can be reworked four or probably five times before it will get down to cloth made from the third class." We recently conducted a series of tests at the request of the Quartermaster General of the United States Army, covering overcoats and blankets made from reworked wool made up of the new clips turned in by the Government contract shops. The report of this test will doubtless be of interest to you, and I forward herewith a copy of that report for your information.

The reworking of wool cloth is imperative. The world's annual clip is sufficient to supply but approximately one-third of the annual production of cloth; the deficiency must be supplied by having recourse to new woolen clips and worn cloth. This situation has resulted in the development of an industry both in this country and in Great Britain which, in capital invested, workers employed, and value produced, rivals many industries which stand unchallenged as a vital necessity.

The necessity for the utilization of reworked wool is recognized by all. A conference was held with officials of the Department of Agriculture and we were advised that, although the Department of Agriculture has been conducting a campaign to stimulate the sheep industry of this country in order to increase not only the supply of virgin wool, but also the meat supply of this country, it is the opinion of that Department that it is doubtful if the industry can be developed to such a degree that a sufficient supply of virgin wool can be secured to meet the domestic demand, and that the industries for the reworking of woolen cloth must be fostered and developed in order to meet the situation and to assist in maintaining at a low level the price of a necessity of life.

It is the opinion of the officials of the Department of Agriculture that there is a necessity for the standardization of fabrics made from wools. That such standardization should be based on the tensile strength of the material. It is believed that such a standardization is equally imperative for reworked wool fabrics. If this were made, it would eliminate the points of friction now existing between fabrics made from virgin wool and reworked wool. It would further assist in educating the producing and consuming public to the relative values existing in the fabrics made from virgin wools and fabrics made from reworked wools.

However, it must be borne in mind that tests for tensile strength, although of value for comparative purposes, are not the sole tests in determining the basis for gradings of fabrics made from virgin or reworked wool. Notations and experiments on the percentage strength and resilience of the fabric should be determined, and investigations covering abrasion and wearing tests, together with incipient failure, both of which are closely related and present in all wearing apparels, should be made. These tests should be made in addition to the test for tensile strength.

In one of the newspaper clippings forwarded by you there was advanced the idea of a pure goods law. It was evidently the attitude of the writer of the article that goods could be as easily standardized and marked as oleomargarine. Such is not the condition, because in addition to the problem of standardization of goods on the basis of component raw material which enters into its manufacture, there is the further problem of the manufacturing process, itself. The manufacture of woolen fabric is of greater importance than the material of which it is composed. A clever manufacturer can make a fabric of wool, cotton, shoddy, and other foreign materials and add lint, flocks, and dust in the finishing processes, thereby increasing the weight of the fabric and giving it a softer feel. Material so manufactured may have superior wearing qualities and more value than a fabric with the same construction made of virgin wool of the same grade. The finish of a fabric determines to an appreciable extent its wearing qualities. Much value can be put on a fabric which has a nicely finished face and which has been given a number of definite manufacturing processes in reaching this end. The value of this, which can not be expressed in the fabric itself, except in its feel and appearance, should be carefully noted. This will indicate the vagueness of valuation of material on the basis of shoddy. The element of manufacture must always be considered.

These facts, together with other factors, as the addition of cotton, should be given consideration. The question of this, and other foreign materials, not considering reworked wool as a foreign material, is also pertinent, and no legislation should be sought which does not include these factors.

You will see from the above the difficulties which face us in endeavoring to secure a pure goods law, at least so far as woolen fabrics are concerned. However, to reach a basis of understanding, I would suggest that your association confer with the National Sheep and Wool Bureau, with the idea of working out a basis of cooperation; and I would recommend that a joint committee of the two organizations be appointed to develop this subject. This committee might request joint action on the part of the

Department of Agriculture and this department in inaugurating tests for the determining of methods of standardization of fabrics manufactured from virgin and re-worked wool, and a conference might be held between this office, the office of the Secretary of Agriculture, and the joint committee, to work out the details of the tests which might be conducted by the Bureau of Standards, and a joint report issued by this office and the Department of Agriculture on this subject.

Such action would be of benefit to the manufacturer and the consumer and would be the first step in the development of a scientific system of evaluation of this material and I further believe that this action would assist in gaining recognition of the contribution which the reworked wool industry makes to the economic life of our people as could be affected by no other means of education.

I should be pleased to assist in such a movement, and the facilities of this department are at your disposal in furthering such a program.

Yours, very truly,

WILLIAM C. REDFIELD, *Secretary.*

Mr. MAURICE GOLDSTEIN,
Secretary Wool Stock Graders' Association,
New York City.

Report of tests on blankets and overcoating by Bureau of Standards.

	Heat transmission.	Conductivity.	Thickness, inches.	Weight, ounces per square yard.	Permeability.
32-ounce overcoating.....	2.29	0.179	0.077	18.9	7.3
No. 2, 32-ounce overcoating.....	3.17	.269	.085	22.1	21.5
No. 1, 4-pound blanket, olive drab.....	1.23	.161	.131	17.7	13.5
No. 2, 4-pound blanket, olive drab.....	2.02	.194	.096	16.3	17.5
No. 3, 4-pound blanket, olive drab.....	1.87	.208	.111	16.1	23.1
Cloth composed of 10 per cent wool, 40 per cent mohair, 50 per cent shoddy.....	2.21	.241	.109	15.6	12.8
32-ounce overcoating, 25 per cent mohair, 25 per cent wool, 50 per cent shoddy (clips).....	2.21	1.97	.089	19.6	6.0

Heat transmission is the number of calories per square centimeter, per hour, per degree Centigrade, passing through the fabric. Heat transmission takes into account the thickness.

Permeability is the tangent of the curve obtained by plotting the velocity of the air passing through a fabric against the resulting drop in pressure across the fabric, and may be taken as an index as to the ease with which wind will pass through the material.

The lower the value of permeability and heat transmission the better are the heat retaining properties of the material.

BUREAU OF STANDARDS.

WASHINGTON, D. C., June 28, 1918.

WILLIAM WHITMAN CO. (INC.),
New York, April 17, 1920.

Mr. ESCH,
Chairman Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.

DEAR MR. ESCH: It appears from the papers that Mr. French has offered some suggestions for amendments to his bill and also that you have appointed a special subcommittee to consider the bill chiefly, as indicated by the papers, with regard to whether the provision for branding fabrics would give information of value to the public.

In this connection I beg leave to inclose a copy of the *Daily Mill Stock Reporter* of April 14, containing some observation of mine based on Mr. French's remarks on this point.

If any opportunity will be offered by the subcommittee to present further evidence I presume my association will receive due notice.

With kind regards, believe me,

Very truly, yours,

ALFRED A. WHITMAN.

INFORMATION WHICH FABRIC LABELING WOULD GIVE PUBLIC IS VALUELESS.

ALFRED A. WHITMAN POINTS OUT THAT THIS IS APTLY SHOWN BY REPRESENTATIVE FRENCH IN HIS ARGUMENT IN FAVOR OF BILL USING B. V. D.'S AS AN ILLUSTRATION.

Alfred A. Whitman, of the William Whitman Co. (Inc.), New York, chairman of the fabric labeling committee of the American Association of Wool and Worsted Manufacturers, and who played a conspicuous part at the pure fabric hearings in Washington recently, yesterday issued the following statement:

In the Washington dispatch apparently in to-day's Daily Trade Record, Congressman French is reported to have offered some amendments to his bill and has undertaken to discuss the contention that the information which labeling would give the public is not worth while because it does not provide a quality test.

Mr. French's suggestions as to amendments to his bill are interesting and as far as they go they indicate an improvement over the original draft. None of them, however, touch in the slightest degree the real objection to the French bill which is that no information of the slightest value to the purchaser as a consumer can be obtained from the proposed stamp indicating the kind of fiber used in the manufacture. This is excellently shown by Mr. French's own argument using B. V. D.'s as an illustration. Accepting Mr. French's statement at its full value, it can not be denied that if a man buys a suit of B. V. D.'s and finds them of good cut and excellent wearing qualities, he would certainly be inclined to order B. V. D.'s again and continue to order them so long as they gave good service, being certain that he would always get the same quality under the label B. V. D. Just compare that situation, however, with a suit marked 60 per cent virgin wool and 40 per cent shoddy. A man may buy a suit with this label and get most excellent wear out of it, besides finding it satisfactory in point of appearance, style, and warmth. If he placed the same dependence upon this label that he does upon the B. V. D. label, he would again order a suit marked 60 per cent virgin wool and 40 per cent shoddy but would not have the slightest possible guaranty that he would get anything like the same wear out of it or that the cloth would compare in any degree in appearance or warmth to the first suit purchased.

B. V. D. is a label that means a certain definite thing with regard to wearing quality, cut, etc., while the label 60 per cent virgin wool and 40 per cent shoddy means absolutely nothing more than a bare statement that 40 per cent of the fiber used in the cloth has been previously spun or woven. It does not indicate whether the 60 per cent of virgin wool is high grade or low grade; whether part of it is noils, shop sweepings, dung locks, or any other of the inferior grades which are classed as virgin wool, nor whether the 40 per cent of shoddy is fine long staple strong fiber, or is the meanest and lowest grades classed under that name. The label gives no information as to the strength of the cloth, whether it is closely woven, well fulled and consequently strong and warm or is loose and open in its texture and without strength and durability. In other words, Mr. French in his arguments has clearly indicated by comparison the main objection to his bill in a few clear sentences. The folly of forcing such an added expense upon the manufacturers for the purpose of giving the public such completely misleading and at the very least entirely useless information is quite evident from his statement.

If in addition to this the sheep growers were correct in their arguments before the Committee on Interstate and Foreign Commerce, the passage of the French bill may be expected to cause such a rise in the cost of new wool as to enable them to increase their industry to many times its present volume. As such an increase has not been possible so far even with the constant and extreme support of legislation it is evident that the advance in price anticipated by sheep growers is not a small one.

It can scarcely be argued that consumers are so anxious to have the useless information referred to that they are willing to see such a rise in a commodity of such wide use as wool.

LETTERS SUBMITTED BY MR. FRENCH.

MARCH 29, 1920.

TO HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

You are in receipt of letter from Mrs. Mattie Douglass, chairman of our legislative committee, inclosing resolutions passed by the national executive committee of this organization.

To this official communication I wish to add a special plea for the passage of the truth-in-fabric bill. The National Housewives' League has members in nearly every

State of the Union and represents a body of women well trained in economics. The league represent the organized industry of homemaking and we believe the truth-in-fabric measure to be not only a protection to our industry, but to the industries contributing to the production and merchandizing of fabrics.

We recognize the need of educational work as to the value of virgin wool and so-called "shoddy," and are planning for such educational work. In this respect it would be beneficial in the attempt to eliminate the prejudice against the so-called "shoddy" if another term could be used to cover the product. This does not mean that the consumer can not be educated to the value of shoddy as they have been educated to the term oleomargarine, but an inconvenient handicap against such education will be the existing prejudice against the term.

Mrs. JULIAN HEATH,
President National Housewives' League,
327 West One hundred and first Street, New York City, N. Y.

MARCH 13, 1920.

To Hon. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

I want to assure you that you have the backing of this association, and I believe the backing of every sheep raiser in the United States; and no doubt you will have the backing of every honest man or woman in the country when they know about the bill that is trying to be put through.

A. J. TEMPLE,
Secretary American Leicester Breeders' Association,
Cameron, Ill.

MARCH 12, 1920.

To Hon. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

We wish to assure you that the Ohio farmers and sheepmen are unanimously in favor of the truth-in-fabric bill (H. R. 11641). When we buy a suit of clothes or a wool carpet we want to be sure we get wool instead of shoddy.

FRANK STURGEON,
Farmer, Glenford, Ohio.

To Hon. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

I believe the entire delegation from Michigan, Wisconsin, and Minnesota will join with you in protecting this much-needed legislation and aid in promoting the passage of the bill at the earliest date possible.

Under separate cover I take pleasure in mailing you six marked copies of the November Cloverland Magazine. You will find on page 6 a splendid article supporting this law written by Mr. Roger M. Andrews, president of the Cloverland Magazine, and you will find on the editorial page the unqualified support of the measure.

Hoping that the magazine and the personal request made to the entire delegation from these three States will be of material assistance to you in piloting the truth-in-fabric law through the committee and on to the Federal statute books, assuring you the whole hearted support of the magazine and its entire organization and wishing you the fullest success in this laudable work and for the bill which you had the honor of introducing, I am

Sincerely, yours,

HENRY A. PERRY,
Assistant to President and Managing Editor,
Cloverland Magazine, Menominee, Mich.

JANUARY 27, 1920.

To Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

I note in a recent trade publication that you are behind the truth-in-fabric law. Go to it, and I hope the bill becomes a law.

A. CAMPBELL,
President The Smart Co., Wausau, Wis.

To Mr. L. F. MALANY,
Chicago, Ill.

While I am heartily in favor of the passage of this bill, it will be impossible for me to appear at the committee hearings.

Trusting you will be successful in your efforts, I am,

WILLIAM A. MATHER,
General Farmer, Adams, N. Y.

MARCH 5, 1920.

To Hon. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

Being interested in the enactment of H. R. 11641, truth-in-fabric law, at an early date, so that it will become effective before this year's wool and cotton are manufactured, I write to assure you Ohio wool growers expect you to call Mr. Esch's attention to this important measure.

J. W. R. SMITH,
Adena, Ohio.

MARCH 18, 1920.

To NATIONAL SHEEP AND WOOL BUREAU,
29 S. La Salle Street, Chicago, Ill.

I believe there is no legislation more needed in this present time of prevailing high costs of everything than the law which you are advocating.

C. A. TYLER,
Commonwealth Savings Bank, Detroit, Mich.

MARCH 23, 1920.

To Hon. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

The truth-in-fabric bill which you introduced is of vital importance to every fair-minded man and woman.

DAISY L. LEUBUSCHER,
2688 Broadway, New York City.

JANUARY 21, 1920.

To Mr. L. F. MALANY,
*National Sheep and Wool Bureau,
Chicago, Ill.*

The passage of this law is of wide importance to both the consumers and producers of wool.

ARTHUR SAMPSON,
*Secretary-Treasurer National Union American Society of Equity,
Madison, Wis.*

JANUARY 26, 1920.

To Mr. L. F. MALANY,
National Sheep and Wool Bureau, Chicago, Ill.

Your cause is a just one, and action at the present time is both timely and wise, and the national wool growers should push their case with the utmost vigor, for there is undoubtedly all sorts of profiteering going on in the cloth trade.

C. A. COBB,
Editor Southern Ruralist, Atlanta, Ga.

FEBRUARY 5, 1920.

To Hon. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

Speaking of the truth-in-fabric bill, we have been educating and looking forward for fabric regulation, and have been planning to remove the national disgrace of a wool shortage. We are already increasing the flocks, as well as improving the indi-

viduals. We intend to grow virgin wool for every American who wants it, and do not intend to compete with the ragman's hook and the moldy shed and plug horse of the junkman.

W. W. REYNOLDS,
Treasurer the Ohio Sheep & Wool Growers' Association,
Utica, Ohio.

MARCH 20, 1920.

To Hon. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

I am very anxious to have this bill become a law, as we have just as much right to know what we are buying in the clothing line as in food.

EDITH CHIDESTER,
Secretary-Treasurer the Continental Dorset Club,
Mechanicsburg, Ohio.

MARCH 17, 1920.

To Mr. L. F. MALANY,
National Sheep and Wool Bureau, Chicago, Ill.

Of course, we are in favor of the truth-in-fabric bill. It is plainly an injustice to both the producer of wool, and the buyer of clothing, that "shoddy" should be sold as virgin wool. To the plea that "shoddy" may be as good as virgin wool there need be but one answer: If it were, there would be no desire to have the purchaser of it think he is getting virgin wool.

E. E. MILLER,
Editor Southern Agriculturist, Nashville, Tenn.

FEBRUARY 26, 1920.

To Hon. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

The New Hampshire Sheep Breeders' Association heartily indorses the bill which has just been introduced in Congress, known as the truth-in-fabric bill. It believes that the passing of this bill will immeasurably help the sheep industry of this country, and that it will equally help the consumer. Its success will be parallel with that of the pure food and drugs act.

We earnestly urge you to use your great influence in securing the passage of this bill.

EDGAR A. PERRY,
Secretary and Treasurer the New Hampshire Sheep Breeders' Association,
Meredith, N. H.

MARCH 23, 1920.

NATIONAL SHEEP AND WOOL BUREAU,
29 South La Salle Street, Chicago, Ill.

GENTLEMEN. I am very much pleased to note that the National Sheep and Wool Bureau are putting forth such excellent efforts in the interests of H. R. 11641 introduced by the Hon. Mr. French in the House of Representatives, and S. 3686 introduced in the Senate by Senator Capper, of Kansas.

As I understand it, the fundamental feature of this bill is to provide that manufacturers of woolen fabrics be made to label their products with the actual contents of material from which they are made up, thereby making it possible for the purchaser to know what he is buying, and not having to rely upon the doubtful say-so of the retail dealer, who may or may not be truthfully informed by the manufacturer. It provides that the same frankness be used in fabrics that is now lawfully required in the sale of food stuffs and drugs. From the point of welfare for the general public, there can be no doubt as to the necessity of this bill, and the fact that every man or woman who purchases cloth will know, in case the bill passes, what they are buying, and what they are paying for, should be sufficient reason for every Senator and Congressman to stand behind it.

I earnestly believe that the high cost of cloth at this time is a serious menace to the welfare of our general public, and to the Nation. The more so as the prices demanded are out of all proportion to the actual value of warmth giving material put into the goods. This is being brought about by the shoddy manufacturer, and the manufac-

turer of woollen textiles, adulterated with shoddy, masquerading behind the term "all wool." The argument put forth by the opponents of the bill, that shortage of virgin wool demands the use of shoddy, will in nowise hold water.

The public has a right to demand to know what it is buying even though this curtails the enormous profits which are now being reaped by those who are selling shoddy cloth, and are misleading the people with the term "all wool."

There can be no doubt that the passing of this bill will bring about not only impetus to the wool growing industries, but the raiser of sheep will take new hope in receiving a favorable return for his wool and thereby automatically increase the supply of mutton and lamb, bringing this commodity within reach of the masses. In the hope that your earnest attempt to bring about this piece of legislation will be crowned with success, I am,

Very respectfully, yours,

GUSTAVUS R. WAEBER.

MARCH 18, 1920.

To HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

Resolved by the board of directors of the Michigan Wool Growers' Association that we, the wool growers of Michigan, support the truth-in-fabric bill, known in the House of Representatives as H. R. 11641 and in the Senate as S. 3686, and urge the enactment into law of this meritorious bill.

THE MICHIGAN WOOL GROWERS' ASSOCIATION.
Per D. WILLIAMS, *Secretary, East Lansing, Mich.*

MARCH 18, 1920.

To HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

Impossible to send delegates to hearing on truth-in-fabric legislation. The New Mexico Wool Growers' Association unanimously urge passage of House bill now pending, or some similar legislation.

PRAGER MILLER,
*President New Mexico Wool Growers' Association,
Albuquerque, N. Mex.*

MARCH 22, 1920.

To HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

I am in favor of that bill being passed compelling manufacturers to state the amount of wool their goods contain.

A. J. BRAIDWOOD,
Hunters Creek, Mich.

MARCH 22, 1920.

To HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

Cody Business Men's Association by resolution to-day indorsed House bill 11641, and urged favorable action by Congress.

CODY BUSINESS MEN'S ASSOCIATION.
By O. K. KOENIG, *Cody, Wyo.*

MARCH 20, 1920.

To HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

We are very much interested in the bill now before Congress known as the truth-in-fabric, and we would appreciate whatever you would give us in putting this bill through, as we certainly need this bill for the protection of the people who are interested in this great industry of raising sheep.

CHAS. WERTHEIMER,
*President Maryland Sheep Growers' Association,
Frederick, Md.*

MARCH 19, 1920.

TO HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

In New York State our federation has organized a Wool Growers' Association subsidiary to our State federation, and we are keenly interested in the whole matter. New York State will back you strongly in this just and fair legislation and you may quote us as unreservedly favorable to the legislation you propose. There are 75,000 farmers in our federation.

S. L. STRIVINGS,
*New York State Federation of County
 Farm Bureau Associations,
 Castile, N. Y.*

MARCH 28, 1920.

TO HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

Allow me to extend my hearty gratitude for the worthy manifestation expressed in your proposed truth-in-fabric bill you are endeavoring to establish. The absolute untruth in some of the display advertisements of United States manufacturers certainly ought to be corrected by virtue of the fact that they may be. Representative manufacturers should not allow them to mislead the unsuspecting public.

EDW. E. FLIPPEN,
5232 Bryan Street, Dallas, Tex.

MARCH 30, 1920.

TO HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

I am glad to hear that you are working for good laws that are progressive and good for the people. Trust you will get the bill through for better woolens, silks and linens

O. H. SCHWARZ,
Maker of Men's Clothes, Moscow, Idaho.

NATIONAL UNION, AMERICAN SOCIETY OF EQUITY,
Madison, Wis.

NATIONAL SHEEP AND WOOL BUREAU,
Chicago, Ill.

(Attention of Mr. L. F. Malany.)

GENTLEMEN: It will not be possible for the American Society of Equity to be present at the consideration of the bill—truth-in-fabric—but the National Union has given credentials to J. B. Houston, who is now at Washington, D. C., to go before Hon. French, Senator Capper, and others concerned.

We are of course very sorry not to be able to be with you to fight for this bill but assure you the merits will be well worth striving for.

Sincerely, yours,

AMERICAN SOCIETY OF EQUITY.
 ARTHUR SAMPSON,
National Secretary and Treasurer.

SANDPOINT, IDAHO,
 January 19, 1920.

TO HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

You have introduced a good bill regarding woolen goods. Everyone with whom I have talked around here is loud in their praise for you and hope you can push it through.

L. B. BROOKS,
Brooks De Long Lumber Co. (Ltd.)

LACLEDE, IDAHO,
January 19, 1920.

TO HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

We are all hoping that your "truth-in-fabric" bill will become a law.

L. D. DEVER.

MADISON, WIS.,
March 12, 1920.

TO MR. LE GRAND F. MALANY,
Secretary National Sheep and Wool Bureau, Chicago, Ill.

We should and we must have this bill passed. There is no question about it.

FRANK KLEINHEIMZ,
*Assistant Professor of Animal Husbandry in charge of Sheep Department,
University of Wisconsin.*

HAGERMAN, IDAHO,
March 25, 1920.

TO HON. BURTON L. FRENCH,
House of Representatives, Washington, D. C.

No blame to you if you dread a letter from even a most friendly constituent. Please vote for the pure-fabric law when it comes up, for the protection of the wool growers and of the public who are paying more now for old rags, known as shoddy, than for wool.

Mrs. F. W. ABBOTT.

RESOLUTIONS SUBMITTED BY MR. FRENCH.

Mr. FRENCH. Mr. Chairman, I have here a large number of resolutions or expression of opinions from various organizations or their officials in the matter of the truth-in-fabric legislation. I do not want to encumber the hearings by inserting a lot of printed matter, so shall merely ask to have printed four or five typical resolutions, and then submit a list of organizations and groups that have either passed definite resolutions or that have taken definite action through their officials on truth-in-fabric legislation:

RESOLUTION PASSED BY THE NEW JERSEY RETAIL CLOTHIERS' ASSOCIATION, JANUARY 28, 1920.

Whereas a large part of the raw material used in manufacturing woollen fabrics and apparel sold as "all wool" is shoddy, and not virgin wool as the public believes; Whereas the public does not even suspect that the term "all wool" may mean wool that has previously been used in cloth; Whereas the term "all wool" is a mere general term that may include shoddy; Whereas even the most inferior shoddy may be "all wool;" Whereas the term "all wool," because it fails to distinguish between shoddy and virgin wool, permits fabric manufacturers to secure virgin-wool prices for shoddy prices and thus places tremendous premiums on the use of shoddy by the fabric manufacturers and discourages the use of virgin wool by fabric manufacturers, and causes the fabric manufacturers to divert the public demand for virgin wool from the wool growers to the shoddy manufacturers; Whereas the term "all wool," because it fails to distinguish between shoddy and virgin wool, places the public at the mercy of fabric manufacturers, deprives the people of their right to choose between shoddy and virgin wool, deprives the people of the knowledge of whether they are purchasing shoddy or virgin wool, the knowledge that is the people's sole protection against those who would charge virgin-wool prices for shoddy, and thus robs the public; Whereas the unrevealed presence of substitution, especially shoddy in fabric and clothes, abrogates the law of supply and demand, places a premium on deceit and profiteering, and violates economic laws and outrages moral law: Therefore be it

Resolved, That the New Jersey Retail Clothiers' Association earnestly urge in the interests of truth and justice and for the protection of the public that the United States at the earliest possible moment enact legislation making it compulsory to make known the presence of substitutes for virgin wool and especially shoddy, in fabrics purporting to contain wool and apparel made from such fabrics, and in order that this worthy object may be speedily accomplished in the interests of all the people, we request the earnest cooperation of all who desire to see "right" prevail and honest practice established in all branches of business.

RESOLUTION ADOPTED BY THE FIFTY-FIFTH ANNUAL CONVENTION OF NATIONAL WOOL GROWERS' ASSOCIATION, JANUARY 21, 1920, SALT LAKE CITY, UTAH —PURE FABRIC.

Whereas the large part of the raw material used in the manufacture of woollen fabrics and apparel, sold as all wool, is shoddy and substitutes, and not virgin wool: Now, therefore, be it

Resolved, That we, the National Wool Growers' Association, earnestly urge the protection of both the public and the wool growers of this country that the Congress of the United States shall, at its earliest possible moment, enact legislation making it compulsory to make known the presence of substitutes for virgin wool, especially shoddy and substitutes in fabrics purporting to contain wool and apparel made from such fabrics.

RESOLUTION OF NATIONAL HOUSEWIVES' LEAGUE INDORSING TRUTH-IN-FABRIC BILL.

Whereas a large part of the raw material used in manufacturing woollen fabrics and apparel is composed of renovated wool or so-called shoddy; and

Whereas fabrics and apparel containing renovated wool or so-called shoddy is sold to the consuming public as all wool; and

Whereas the consuming public does not even suspect that the term "all wool" is applied to fabrics containing renovated wool or wool that may previously have been used in clothes; and

Whereas the term "all wool" because it fails to distinguish between shoddy and virgin wool places the public at the mercy of fabric manufacturers and deprives the public of the knowledge whether they are purchasing shoddy or virgin wool; and

Whereas this condition is an injustice to the consumer and to the producers of both virgin wool and shoddy; and

Whereas the abnormal cost of living has made it imperative that the housewife, who represents the purchasing power of the family, should have knowledge of the component parts of everything she purchases in order to efficiently conduct her industry of home-making through the efficient administration of the family income; and

Whereas the consumer desires to purchase virgin wool at virgin prices and shoddy at shoddy prices; and

Whereas the Federal Government has deemed it necessary by the enactment of laws and regulations to protect the consumer and industry of home-making, making it mandatory for the manufacturer to declare upon the label of merchandise the component parts of foods and drugs; and

Whereas it is the desire of the consumers of this country to be acquainted equally with the quality of fabrics as with foods and drugs: Therefore be it

Resolved, That the National Housewives' League, being an organization representing the industry of home-making, urge the Federal Government in the interest of honest production, honest merchandising and intelligent buying to enact legislation making it mandatory to declare the presence of the substitutes of virgin wool in all wool fabrics and garments: Be it further

Resolved, That we urge the Department of Commerce and the Department of Agriculture to circulate information to the housewife as to the relative value of virgin wool and shoddy.

DECLARATION OF THE MINNESOTA REPUBLICAN STATE PLATFORM CONVENTION, MARCH 25, 1920.

Believing in honest business practices, we favor the enacting of a fabric law which shall designate the quality and substance of wearing apparel so that the purchaser may know just what he is buying.

RESOLUTION PASSED BY COMMERCIAL CLUB OF BELLE FOURCHE, BELLE FOURCHE, S. DAK.,
MEMBER OF CHAMBER OF COMMERCE OF UNITED STATES.

Truth-in-fabric bill.

Whereas at present the buyers of woolen garments are being misled into believing that they are getting wool garments, while in most cases the garments contain a large percentage of shoddy material, and in most cases cotton.

Whereas they have a right to know what they are buying in order that they may buy intelligently and buy the quality of goods they want, and

Whereas the men who are raising wool are selling at a disadvantage and are putting their wool up against shoddy material, which is being sold as wool, and therefore getting less than they are entitled to for their wool; now therefore be it

Resolved, That the Commercial Club of Belle Fourche indorse the truth-in-fabric bill now before Congress and urge its immediate passage in order that the wool interests of the country may be protected against misrepresentation as to quality and against having to throw their wool on the market in competition with shoddy material, and that the purchasers of the finished goods may know what they are buying and the value of it as compared to the virgin wool.

RESOLUTION ADOPTED BY THE NEW MEXICO WOOLGROWERS IN CONVENTION
ASSEMBLED AT ROSWELL, N. MEX., MARCH 9, 1920.

Pure fabric.

Whereas the large part of the raw material used in the manufacture of woolen fabrics and apparel, sold as all wool, is shoddy and substitutes, and not virgin wool; now therefore be it

Resolved, That the New Mexico Wool Growers' Association earnestly urge the protection of both the public and the woolgrowers of this country, that the Congress of the United States shall, at its earliest possible moment, enact legislation making it compulsory to make known the presence of substitutes for virgin wool, especially shoddy and substitutes, in fabrics purporting to contain wool and apparel made from such fabric; and to this we urge the passage of House bill No. 11641.

RESOLUTION PASSED BY THE UPPER MICHIGAN DEVELOPMENT BUREAU IN ANNUAL
CONVENTION MARCH 23, 1920.

Whereas the National Sheep and Wool Bureau has learned that 80 to 85 per cent of all so-called woolen garments now on the market are made up wholly or in part of shoddy, but are sold upon representation of containing all wool; and

Whereas this practice is grossly deceiving and actually fraudulent, and in view of the fact that shoddy is reworked wool picked from rag piles and possesses no wearing qualities but commands high prices because the public is led to believe the all wool label means virgin wool taken from the sheep's back and manufactured into garments; and

Whereas this system of clever deceit is greatly injuring the sheep and wool industry as it places wool on the sheep's back in unfair competition with the rag pile, as well as defrauding the buying public; and

Whereas the Upper Peninsula Development Bureau considers the sheep and wool industry as vitally important to the development of our vast area of idle-cut-over land; therefore be it

Resolved, That the Upper Peninsula Development Bureau in annual session assembled urges upon Congress the immediate passage of H. R. 11641, known as the truth-in-fabric law, and that copies of this resolution be forwarded to the Hon. W. Frank James and the Hon. Frank Scott, Representatives in Congress for the 15 counties of the upper peninsula, and that similar copies be forwarded to the Hon. Charles Townsend and the Hon. Truman H. Newberry, United States Senators from Michigan. (Menominee, Mich., Herald-Leader, Mar. 23, 1920.)

SOME ORGANIZATIONS AND GROUPS THAT, THROUGH RESOLUTIONS OR OFFICIALS, HAVE RECOMMENDED THE ENACTMENT OF TRUTH-IN-FABRIC LEGISLATION.

Agricultural Commission. Michigan State Bankers' Association.
 American Farm Bureau Federation, Chicago.
 American National Livestock Association, Spokane, Wash.
 American Cheviot Sheep Society, Cooperstown, N. Y.
 American Hampshire Sheep Association.
 American Leicester Breeders' Association.
 Big Horn Basin Wool Growers' Association, Basin, Wyo.
 Black Top Merino Sheep Breeders' Association.
 Arizona Cattle Growers' Association.
 Champaign County Farm Bureau, Illinois.
 Chicago Livestock Exchange.
 Cotton States Marketing Board.
 Commercial Club of Belle Fourche, S. Dak.
 Cody, Wyo., Business Men's Association.
 Fleece Wool States Growers' Association, Chicago.
 Davis Grange, No. 1466, Pennsylvania.
 Grand Traverse Grange, No. 379, Michigan.
 Iowa Fleece Growers' Association, Marshalltown, Iowa.
 Michigan Wool Growers' Association.
 Maryland Sheep Growers' Association.
 Upper Michigan Development Bureau (representing entire northern peninsula of Michigan).
 Missouri Retail Clothiers' Association.
 National Consumers' League.
 National Grange.
 National Farmers' Council.
 National Board of Farm Organizations.
 National Housewives' League.
 National Union of the American Society of Equity, Madison, Wis.
 National Wool Growers' Association, Salt Lake City, Utah.
 New Hampshire Sheep Breeders' Association.
 New York State Federation of County Sheep Growers' Cooperative Association (Inc.) Cooperstown, N. Y.
 New Mexico Wool Growers' Association, Albuquerque, N. Mex.
 New Jersey Retail Clothiers' Association.
 Ohio Sheep and Wool Growers' Association.
 Onondaga, N. Y., Sheep Growers' Association, Syracuse, N. Y.
 Tri-State Sheep & Wool Growers' Association, Wheeling, W. Va.
 Utah Wool Growers' Association, Salt Lake City, Utah.
 Washington and Rensselaer Counties, N. Y., Wool Growers' Association.
 Washington State Wool Growers' Association, Walla Walla, Wash.
 Wyoming Wool Growers' Association, Cheyenne, Wyo.
 West Virginia Federation of Farm Bureaus, Philippi, W. Va.

EDITORIALS SUBMITTED BY MR. FRENCH.

[From St. Paul Dispatch, Jan. 27, 1920.]

A MERITORIOUS BILL.

The thousands of readers of the Farmers' Dispatch who clip and market wool should be greatly interested in the bill by Representative French, of Idaho, introduced in Congress recently which would require "all wool" fabrics to contain all virgin wool, instead of the large amount of shoddy and cotton mixed with wool which most of the so-called all-wool goods of to-day are made of.

The treasurer of the Ohio Wool Growers' Association has characterized shoddy as the "arch enemy of sheep." Shoddy is made of old soft woolen rags shredded and respun. The life of the original wool is gone. It may look like wool to the untrained eye and may feel like wool, but it is not the real stuff, and it quickly shows up in the wear. There would be no objection to that from the wool growers, if it were properly labeled, and was sold at a price commensurate with its cost or worth. But unscrupulous manufacturers not only palm off shoddy as virgin wool, but they charge a price based on the cost if it were all virgin wool. Thus they libel the wool-growing industry, increase the cost of clothing normally, taking all the profits themselves, and reduce the

demand and consumption of virgin wool. All this hits the wool growers right in the pocketbook.

The French bill, now known as the truth-in-fabric bill, is designed to stop this evil. It will protect both the consumer and the producer. Shoddy and cotton should no more be sold as all wool than should oleo be sold as butter or horsemeat as potted ham. The Farmers' Dispatch not only gives its complete indorsement to the proposed law, but it hopes every reader will write his Congressman and Senators urging them to support it.

[Editorial from The Des Moines, Iowa, Register, of Mar. 21, 1920.]

The National Sheep and Wool Bureau is propagandizing in favor of the Capper Senate bill that would require fabric manufacturers to stamp their goods as to the content. If the bureau had its way, every maker of garments and every purchaser will know what proportion of virgin wool and what proportion of reworked wool (or shoddy, as it is called) the fabric that he buys as "all wool" contains. And why not?

It is confided by the fabric manufacturers that shoddy is sometimes better than virgin wool—that the best shoddy, for instance, makes more durable and warmer clothing when mixed with a proportion of virgin wool than would be made by using 100 per cent virgin wool of an inferior quality.

Perhaps they are right. Perhaps the popular prejudice against shoddy is wrong. Perhaps, as the fabric makers assert, the advocates of a truth-in-fabric law are selfishly interested in capitalizing the public prejudice to the benefit of the woolgrowers.

Even so, it is impossible to set up reasons or excuses enough to justify fraud; it is when a people taught to think the term "all wool" means "all virgin wool" are given a cheaper combination of virgin wool and shoddy. It is not the manufacturer, wholesaler, or retailer of clothing that is fundamentally to blame. Ninety-nine times in a hundred these people are in the same boat as the ultimate consumer; they pay virgin wool prices and get goods made in part of something else. There is as much reason for compelling fabric makers to stamp a 50-50 mixture of virgin wool and shoddy for what it is as there is for compelling the canner of mock-chicken soup to stamp that for what it is. In either case the way is open to educate the public, to convince the public that the substitute is as good for practical purposes as the genuine. But there is no justification for concealing the truth.

One of the reasons American products have had a hard time in competition with the products of certain foreign nations in the world market is that American manufacturers have been too ready to turn out vast quantities of adulterated goods or goods not up to sample.

It is not so much dishonesty as carelessness and timidity that have been to blame for this, perhaps. But, regardless of the reasons, indifference to accurate labeling, coupled with other weaknesses of the same kind, has hurt.

Even at the risk of temporary difficulties, fabrics in our own country should be put on a basis of candor that is all wool, so to speak, and a yard wide.

[From Wisconsin Farmer.]

WANTS TRUTH-IN-FABRIC LAW PASSED.

TO THE EDITOR: Please continue to make it strong to the public and to the legislators who make our laws at Washington that we must have the truth-in-fabric law passed to protect honest dealers and wool producers. There were more "rag-picker" millionaires made during the war than there were munition millionaires, just because we have no legal action against shoddy goods. Who knows now or has any way of knowing the percentage of shoddy in clothing? When this law is passed you will not have to compete with rags in selling wool.

CARL GRENSING.

WASHBURN COUNTY, WIS.

[Editorial from Helena, Mont., Independent, Jan. 15, 1920.]

THAT "ALL-WOOL" BILL.

At the risk of becoming tiresome, the Independent would rise once more to inquire: What has become of that bill introduced in Congress five or six months ago to require the branding of fabrics?

We have a pure-food law and an oleomargarine law, and we have found both beneficial. Then, why is it that Congress never seems disposed to pass a bill requiring the manufacturer to show what percentage of inferior products is mixed with "all-wool" cloth? Bills have been introduced several times, but never yet has one been heard of after it reached a congressional committee.

The wool supply is short in this country, not so short as some would have you, believe, but still it is short—and people can not expect to have strictly all-wool clothes. For some purposes other material will be preferred anyway. The public however, is entitled to know what it is buying.

[Washington, D. C., Star, Jan. 21, 1920.]

To decrease the amount of low-grade fabrics offered to the trade at big prices, Representative Henry T. Rainey, Democrat, of Illinois, introduced a bill requiring the percentage of materials to be stamped on the outside of all woven fabrics shipped in interstate commerce.

[Oakland, Calif., Tribune, Jan. 22, 1920.]

The proposition of wool growers to punish cloth frauds is getting the matter up to the appropriate people. Nobody should be more interested in honest manufacture of and trading in fabrics of this class than those who are interested at the base of it with the raw materials.

[New York Evening Post, Tuesday, Jan. 13, 1920.]

It is expected that the present session of Congress will pass adequate legislation to control the labeling of fabrics. It is expected to be made a misdemeanor in future to brand any fabric untruthfully, and punishment, probably by fine and imprisonment, will follow violation of the law. It is considered essential to progress that the exact truth be told by such labels.

[Editorial in the Clothing Trade Journal.]

Interest in "virgin wool" * * * and shoddy seems to be spreading from consumer to retailer, from retailer to manufacturer to the mill. The point at issue is perfectly clear in spite of any efforts made to obscure it.

It is a happy sign of returning honesty to business, industry, and life that we are now urged to label the ingredients of cloth. No one protests against using shoddy or cotton. All we want to know is, "Is it shoddy"?

[Clothier and Furnisher.]

The requirement that all fabrics be properly branded would render it impossible for anyone to sell shoddy as "virgin wool" from the first factor of distribution to the retailer, and would therefore reach the disease right at its source, which is the only effective remedy.

[Daily News Record, a daily trade paper covering the textile and apparel field.]

There are some manufacturers who firmly believe that the next Congress will pass a pure-fabric law which will compel the marking of clothes for exactly what they contain. * * *

They know that the public is learning what "virgin wool" means, and there is no necessity for an apology for a position assumed with "virgin wool" as a background.

[Article in the American Wool and Cotton Reporter, Aug. 21, 1919.]

As a rule, woolen manufacturers were rather surprised when they found from their sounding preparatory to making new lightweight samples, that "virgin-wool" fabrics were going to be much in favor, especially for men's wear.

[Herman C. Ritter, former president of the National Association of Retail Clothiers, in a recent statement.]

The day is not far off when we will have standardized fabrics marked "strictly virgin wool."

Our patrons are entitled to it—the merchants should demand it.

[From a speech by Mr. B. F. Harris, banker of Champaign, Ill., at an advertising convention held in Chicago, Oct. 27, 1919.]

When we talk about "all wool" as we used to, we mean just that. Now some of them get around it by saying "all wool," and we have had to invent the term "virgin wool."

[New York Times.]

VIRGIN WOOL GROWS POPULAR.

A great deal of satisfaction is taken in the woolen trade in the acquisition of the term "virgin wool" in place of "all wool." The latter phrase was the cause of unending controversy between those who believed in the merit of reworked wool and included that article within the strict meaning of the term "all wool." The commonest kind of shoddy could be called "all wool" without any twisting of the truth, but the consumer's interpretation scarcely jibed with that of the technical manufacturer's.

[Moline, Ill., Dispatch.]

When a fabric or garment is guaranteed to be "all wool" the public understands it to be "virgin wool," which it is not. The public does not know that the "all wool" guaranty has lost its meaning. Even inferior shoddy may be truthfully described as "all wool."

There is coming to be large demand for a truth-in-fabric law for the protection of our sheep and woolgrowing industry, as well as for the protection of the public.

[Staunton, Va., Daily Leader.]

If the term "virgin wool" can be brought into general use for such wool, it will tend to protect the buying public from a manifest and serious fraud. The expression is being used by manufacturers * * *.

It [the term "virgin wool"] ought to be generally adopted, and there ought to be a law requiring "all wool" goods to be labeled either as shoddy, mixed, or "virgin wool." Then deception would be impossible unless the buyer were too stupid to do anything for his own protection.

[Idaho Republican, Mar. 13, 1920.]

ADVERTISEMENT.

One of our Idaho Congressmen is pushing a bill which will compel textile manufacturers to truthfully label every yard of cloth produced.

The passage of this bill will bring daylight into the business of buying and selling cloth and clothing—cotton and shoddy may still be used, but they'll be sold for what they are.

The passage of such a law will benefit every wearer of clothing—it will promote the development of Idaho's sheep industry.

Won't you please drop a line to our Idaho Senators and Congressmen, urging the passage of this bill?

ROWLES-MACK CO.,
Blackfoot, Idaho.

(In the nature of an editorial is the statement sent out to the mailing list of the National Board of Farm Organizations by its secretary, Charles A. Lyman, under date of Mar. 20, 1920, which statement is as follows:)

[National Board of Farm Organizations, Charles A. Lyman, Secretary, Washington, D. C., Mar. 20, 1920.]

To our mailing list:

Virgin wool versus shoddy: When buying your next suit or garment satisfy yourself that it is made from virgin wool or else refuse to pay virgin-wool prices. This information will be easy to obtain in case the truth-in-fabric bill, H. R. 11641, should be passed by Congress. Advocates of this bill are appearing this week before the House Committee on Interstate and Foreign Commerce. The bill is an application to the textile industries of the same principles of compulsory correct branding and labeling already established in relation to foods and drugs. Every garment must be correctly labeled to show its ingredients. The term "all wool" is a misnomer in that the purchaser quite generally believes this to mean "virgin" wool—wool from the sheep's back, and not as yet manufactured into textiles. "Shoddy" is now found in most of the clothing materials sold as all wool. It is made from rags, old clothing or other material from which everything but wool has been removed by chemical processes. The National Wool Growers' Association and the leading farm organizations of the country are working for the bill's passage.

POWER LAUNDRY AND THE PURE FABRIC LAW, AS PERTAINING ESPECIALLY TO THE BARKLEY BILL.

APRIL 13, 1920.

The Laundry Owners' National Association has a deep interest in any movement that fosters correct branding of textiles because in the effort to keep satisfied customers, the laundry owner is called upon to make fair adjustment of the claims for the occasional damage occurring to fabrics, as well as to renovate and deliver the garments. These adjustments can not be based upon that false principle held by too many business men that "the customer is always right." In many cases this would be the easy and expedient method for the individual laundry to pursue. Such procedure, however, is not conducive to the healthy growth of the industry in general, because the practice fosters prejudices against the laundry service, which, on account of previous sins, still prevail even though the service is improved. Fair adjustment must be based on the determination of the true responsibility in each case. The three agents responsible for the conservation of textiles are the manufacturer, including the distributors all along the line to the retailer, the user, and the launderer. To secure evidence that will establish this responsibility in a given instance, the Laundry Owners' National Association offers to its membership the services of expert chemists.

As examples of typical claims made against the laundry, the following incidents are cited: A linen supply company that furnishes clean towels to offices, purchased a lot of 700 hand towels. Since new towels are not sufficiently absorbent for use until after they are washed, this lot was sent to a laundry. All of them failed in the first laundering. Exhibits were sent to the L. N. A. laboratory at the Mellon Institute, where the cloth was found to be composed of cotton warp and an overcooked hemp filling. When dry, the strength of the fabric along the filling direction was about equal to the strength along the warp direction; but when it was wet the strength along the filling was comparable to that of paper. This, indeed, was the case, the cooked hemp of which the filling threads were composed constituting a good grade of paper stock. If the hemp had not been cooked it would have had sufficient strength, but would have been extremely harsh and with no power to absorb moisture, an essential property of a good piece of toweling. The fabric had the appearance but lacked the other essential qualities of good crash. This represents an extreme case of fraud; like the knave's paper razors, the fabric was made to sell. Obviously, the responsibility here was not that of the user or the launderer. While instances of this extreme character are comparatively rare, it is to gain protection for the user and launderer against situations of similar nature that the Laundry Owners' National Association has entered the fight for pure-fabric legislation.

The laundry operation is like all factory processes in that the human factor obtains. In addition to this unavoidable condition, some establishments are blessed with poorer management than others. The stock in trade in the laundry industry is service, service to steamship companies, Pullman companies, hospitals, hotels (although most of the larger hospitals and hotels operate their own laundry plants), and to the household. The laundry owner recognizes that the greater number of times he can launder a fabric the more profit accrues to him. It is also recognized that well-managed plants suffer from the ill-will created by the poorly-managed ones. Consequently, the broader-minded men of the industry, who exercise the most influence in their trade association affairs, are concerned with the improvement of conditions

in the poorest plants. To correct a mistake and prevent its recurrence requires the location of the cause.

The legislation regarding textiles sought by the laundry owners could be more properly called a law requiring the correct labeling of fabrics. While there are many features in which the analogy to the pure food and drug act is quite distinct, there are others which bear no similarity. There is no intention to restrict the market or to hamper the honest producer or dealer. The object of the legislation sought is to promote better care in the weaving and dyeing of fabrics, and to conserve the interests of the honest producer and dealer as well as those of the ultimate consumer and launderer. It is appreciated that there are many grades of raw materials that must be used in the total output of our textile mills, that automatic machinery and human hands are not infallible, and that economic necessity demands that all products of the mills at all suitable for use be somehow marketed. There is the added appreciation that some means must be decided upon for curtailing deception, whether this deception be perpetrated by the producer or by unscrupulous jobbers into whose hands defective or inferior textiles might fall. In other words, goods classified as defective or seconds in the reputable mills should be so indelibly branded that they would be less easily passed as good cloth should they find their way into the hands of dishonest distributors.

The whims of fashion constitute a great menace to real economy in the use of textiles, especially those used in garments and table fabrics. A demand for soft collars which look like silk, but which may be sold at a comparatively low price, encourages the production of a cloth of cotton warp and silk filling so woven that the cotton is mostly concealed. An exhibit illustrating this recently, recently examined, showed the coarse warp yarn to constitute 90 per cent of the weight of the cloth, leaving only 10 per cent of the weight for the silk filling. The manager of a large garment manufacturing company of highest standing explained that it was necessary to produce such an article to meet competition. Perhaps, if from the label, the purchaser knew the weakness of the fabric and that it would not survive the most careful hand washing, the demand for articles made of such cloth would be diminished.

Another temptation toward deception is to be found in the manufacturing of table linen. A damask type tablecloth may be made of short staple yarn or even cotton yarn and so finished that the purchaser will not detect the inferior quality until after the sizing has been removed. "Tow" yarn, properly spun and woven into any plain weave pattern, will make a serviceable cloth for many purposes, but short staple fibers, loosely spun, should never be used in jacquard designs.

Prints that have been tendered by the excessive or improper use of stripping salts; shirting in which the dyed stripe of the warp has been tendered by faults in dyeing, or by the aging effect of sulphur dyes; defects in weaving concealed by sizing; blankets of cotton warp and wool filling so woven and carded as to render the blanket almost useless; these are more of the faults in new textiles that have been examined in the laboratory of the Laundry Owners' National Association at the Mellon Institute. These and other considerations have led to the proposal that a Federal law be enacted to compel the correct labeling of fabrics.

In view of the fact that much more educational work must be done along the lines of compulsory labeling the Laundry Owners' National Association is glad to support a law like the Barkley Act that will eliminate the menace of mislabeled articles. Having a law forbidding misbranding we are much nearer success when we shall have caused the enactment of a law compelling labeling.

The details of the Barkley bill are not the subject of this brief. Suffice it to say that this enactment is comprehensive enough to make it effective without making it burdensome to the honest producer.

H. G. ELLEDGE, *Industrial Fellow.*

MELLON INSTITUTE OF INDUSTRIAL RESEARCH,
UNIVERSITY OF PITTSBURGH,
April 13, 1920.

PRESS NOTICE OF THE NATIONAL SHEEP AND WOOL BUREAU OF AMERICA, CHICAGO.

SHODDY ADVOCATE ANSWERED.

Charles M. Haskins, secretary of the National Association of Waste Material Dealers, in a published statement, makes the plea that if the comparative values of virgin wool cloth and cloth made of reworked wool are to be differentiated, it should also be advocated:

"That the manufacturer of paper should be compelled to state just what proportion of the manufactured product is wood pulp and what proportion is rags, and that

the manufacturer of automobile tires should stamp on the tire what proportion of the rubber used was scrap rubber and what proportion was crude rubber, and that the foundry men should designate on each casting made how much new metal and how much scrap metal has been used."

It is only because remelting and recasting metal does not appreciably impair the physical properties of the metal that foundry men should not designate on each casting made how much new metal and how much scrap metal had been used.

Reworking wool, however, does impair the physical properties of the wool fiber. Reworked wool never can equal in worth the virgin wool from which it is reworked. Shoddy is reworked over and over again, as many as six or eight, or even more times, losing strength, life, resiliency, and worth with each reworking, and it is because this is true, and to protect the purchaser against those who would charge virgin wool prices for shoddy, that the protection of the public demands that the presence of shoddy in cloth and clothes shall be made known.

This principle of protecting the public in connection with automobile tires has already been recognized and advocated in an opinion handed down by the Federal Trade Commission within the past year.

The following is quoted from a press item which appeared in a daily paper in connection with this decision of the Federal Trade Commission:

"A decision of the Federal Trade Commission made recently in an automobile-tire case was that no matter what the quality of a remade automobile tire was, it could not be sold as a plain automobile tire. It must be sold as a remade tire. The assumption of the purchaser when buying an automobile tire, it was stated, was that he was buying a new tire unless he knew definitely otherwise.

"Therefore, the commission decided, remade automobile tires must be sold as remade tires.

"The question of the wearing and other qualities of the remade tire was not the deciding point in this case.

"The general position of the commission in its decisions has been, not what the trade knows of a certain thing, but what the public thinks it is buying when it purchases an article.

"Those familiar with the textile industries, wool, silk, and cotton manufacturing men's and women's clothes of all kinds, can call to mind scores of instances in which this attitude does not coincide with present practices which are so largely practiced as to be general."

The manufacturer of paper does not parallel the case of wool in any way, shape, or form that has to do with the protection of the public, because it is the fact that the public understands the term "all wool" to mean wool that has never previously been used in cloth—whereas even the most inferior shoddy may be all wool—that has resulted in shoddy's making of the term "all wool" an alias under which shoddy passes for virgin wool.

Mr. Haskins states: "The cloth manufacturer, through the very process of turning the shoddy into cloth, is in a position to know exactly what class and grade of material he is buying from the shoddy manufacturer."

But Mr. Haskins says: "The deception, if any, is with the clothing manufacturer or the retail dealer."

Please note how Mr. Haskins would thus absolve the fabric manufacturer from guilt and would make it appear that it is the retailer and the clothing manufacturer upon whom guilt for whatever there may be of deception should rest.

Retailers, with few exceptions, are under existing conditions kept in ignorance of whether or not fabrics contain shoddy.

It is also a fact that many clothing manufacturers do not know when fabrics contain shoddy.

Therefore, retailers, with few exceptions, and many, if not most clothing manufacturers, are, like the public, deprived of their right to know when fabrics contain shoddy and are thus deprived of their right to choose between shoddy and virgin wool.

Failure of the fabric manufacturer to state when fabrics contain shoddy enables the fabric manufacturer to force the sale of shoddy whether the purchaser wishes to buy it or not, and enables the fabric manufacturer to secure virgin wool prices for shoddy.

The prices at which fabrics and clothes containing shoddy are sold can be obtained only because the purchaser believes that it is virgin wool that is being purchased.

Failure to fully grasp the magnitude of the wrong which the unrevealed presence of shoddy inflicts results, to a considerable extent, from the erroneous idea that even fabric manufacturers who charge an unjust price for shoddy—a price that they could not secure if the purchaser knew he was purchasing shoddy instead of virgin wool—produce so slight an effect on the price to the ultimate consumer as to be a negligible quantity.

It is popularly supposed that even if this unjust price charged by the fabric manufacturer amounted to say about \$5 on a suit length of cloth, this amount, especially at prevailing prices, would not seem very large to the public, and if clothing manufacturers and retailers did not also overcharge, the mere fact of the fabric manufacturer's overcharging would not, after all, be so terribly serious.

The fact of the matter is, however, that even if the retailer and the clothing manufacturer did not add one penny to the unjust charge, but only added their legitimate percentage of mark-up—a percentage necessary in order to ensure them a net profit necessary to continue in business, yet, the unjust charge by the fabric manufacturer of \$5 on a suit length would, by the time it reached the public, have increased more than 100 per cent.

In order to illustrate just how this results, we will take a concrete illustration.

In the case of ready-to-wear apparel, the fabric manufacturer sells the fabric to the clothing manufacturer, who, in turn, sells to the retailer, who, in turn, sells to the public.

In the case of custom-made apparel, the same number of steps follows, but in that case the fabric manufacturer sells to the wholesale cloth merchant, who, in turn, sells to the retail custom tailor, who, in turn, sells to the public.

In order to simplify the illustration and divest it of the added elements, such as cost for cutting and making the garment, for trimmings, etc., which would necessarily enter in, in case of the ready-to-wear garment:

Therefore, we will divest the illustration of all these added elements incidental to the ready-to-wear apparel, by choosing as our illustration the case of the custom tailor who retails to the public.

In this case, the retail custom tailor purchases the cloth from the wholesale cloth merchant, who, in turn, purchases the cloth from the fabric manufacturer.

We will take as the basis of our illustration a suit length comprising $3\frac{1}{2}$ yards of cloth. This cloth we will say is an all-wool woolen fabric, but while it is all wool, it contains 80 per cent of shoddy, and because it contains 80 per cent of shoddy, which has cost the fabric manufacturer much less than virgin wool would have cost, the fabric manufacturer could afford to sell this cloth to the wholesale cloth merchant at \$10 for the $3\frac{1}{2}$ yards.

At this price, the fabric manufacturer, we would say, would make a legitimate and sufficient profit.

The fabric manufacturer, however, permits the wholesale cloth merchant to believe that this all-wool woolen suit length is made exclusively of virgin wool, and because he permits the wholesale merchant to believe this, he secures from the wholesale merchant \$15 for the suit length, instead of \$10, the legitimate price, which is all the cloth merchant would have paid had he known that the cloth contained 80 per cent of shoddy.

Now, we will use precisely the same percentage of markup on both prices, namely, the \$10 price, which would have been the legitimate price, and the \$15 price, which is \$5 more than is just, and by using precisely the same percentage of markup on both of these initial costs, the one, the legitimate cost of \$10, and the other, the unjust cost of \$15, we will follow it through to the public, and note how the original unjust charge of \$5 by the fabric manufacturer pyramids until even without any profiteering on the part of either the wholesale merchant or the retailer, the unjust price will, by the time it reaches the public, have more than doubled.

Let us say that the overhead charge, including rent, lighting, insurance, salesmen, salaries, expense of office force, etc., make it necessary that the percentage of markup of both the wholesale merchant and the retailer shall be at least 60 per cent in order to insure a legitimate net profit that will enable the retail and wholesale merchant to stay in business.

The following table shows how the case works out:

TABLE.

Showing how the fabric manufacturer by failing to tell the wholesale merchant to whom he sells the fabric that the fabric contains shoddy, is able to secure from wholesale cloth merchant the unjust price of \$15 for an all-wool woolen suit length of $3\frac{1}{2}$ yards, containing 80 per cent of shoddy, which, because it contains 80 per cent of shoddy, instead of being all virgin wool, the fabric manufacturer could have profitably sold for \$10, and for which the wholesale cloth merchant would not have paid more than \$10 had he known that the cloth was 80 per cent of shoddy.

Also showing how, without any profiteering on the part of the wholesale cloth merchant or the retail merchant, the unjust price of \$5 charged by the fabric manufacturer more than doubles by the time the public is reached.

Please note that the same percentage of markup, 60 per cent, is used in the case of both basic prices on which computations are made, namely:

1. The fabric manufacturer's price of \$10, which is the legitimate price he should have charged the wholesaler.
2. Fifteen dollars, the unjust price, which he was able to secure because he permitted the wholesaler to believe the fabric was made exclusively of virgin wool.

ALL-WOOL WOOLEN SUIT LENGTH CONTAINING 80 PER CENT SHODDY.

Price at which suit length could have been profitably sold by fabric manufacturer to wholesale cloth merchant.....

\$10.00

Normal and legitimate markup of wholesale cloth merchant, 60 per cent.....

6.00

Wholesale cloth merchant's price to retail custom tailor.....

16.00

Unjust price which fabric manufacturer was able to secure from the wholesale cloth merchant, only because he permitted the wholesale cloth merchant to believe he was purchasing a fabric made exclusively of virgin wool

15.00

Normal and legitimate markup of wholesale cloth merchant, 60 per cent.....

9.00

Wholesale clothing merchant's price to retail custom tailor.....

24.00

Retail custom tailor's normal and legitimate percentage of markup, 60 per cent.....

9.60

Retail custom tailor's legitimate price to the public.....

25.60

Retail custom tailor's normal and legitimate percentage of markup, 60 per cent.....

\$14.40

Retail custom tailor's price to the public made necessary by the \$5 excess and unjust charge of fabric manufacturer.....

38.40

Retail custom tailor's legitimate price, possible only because the initial charge—the fabric manufacturer's charge was just.....

25.60

Excess and unjust price to consumer that has resulted from initial overcharge by the fabric manufacturer of \$5, an overcharge that has forced both wholesale cloth merchant and retail custom tailor to become a party to an unjust price, but without the slightest advantage either to wholesale cloth merchant or to the retail custom tailor.....

12.80

Fabric manufacturer's excess and unjust charge.....

5.00

Excess and unjust price that naturally accrues during process of distribution.....

7.80

It is fatuous and futile for the shoddy interests and adherents to attempt to place on the retailer and wholesaler or clothing manufacturer blame that rests squarely on the shoulders of those fabric manufacturers who permit purchasers to believe that fabrics containing shoddy are made exclusively of virgin wool.

The unrevealed presence of shoddy in fabrics, because it enables fabric manufacturers who so desire to secure virgin wool prices for shoddy, places a tremendous premium on the use of shoddy by fabric manufacturers and discourages the use of virgin wool.

The unrevealed presence of shoddy in fabrics also places tremendous power in the hands of fabric manufacturers—a power that belongs to the people—the power to determine how much virgin wool shall be used, and at what price it shall be sold.

It is the people's right to choose between virgin wool and shoddy, and it is the people's power by the natural operation of the law of supply and demand, to determine the price of virgin wool and shoddy.

Permitting fabric manufacturers to sell fabrics containing shoddy without making its presence known permits fabric manufacturers to arrogate to themselves the power which belongs to the people and enables fabric manufacturers to divert the people's demand for virgin wool from the wool growers to the shoddy and rag industries.

Here we have a clue to the reason why the rag industry for which Mr. Haskins speaks seeks to absolve the fabric manufacturer and to place whatever blame there may be upon the retailer and the clothing manufacturer.

It is perfectly apparent why the rag industries and the shoddy industries do not want fabric manufacturers to be made to relinquish the people's power, which some fabric manufacturers have arrogated to themselves.

So long as fabric manufacturers are permitted to exercise this autocratic power and force the purchaser to purchase shoddy and to pay virgin wool prices for shoddy—the rag and shoddy industries will continue to be able to gorge themselves on the rights of the people and the life blood of sheep husbandry.

In other branches of business and industry the producer and the manufacturer not only have to make a meritorious article, but he has to convince the public of the article's merit.

Under existing conditions, however, the rag and shoddy industries do not have to do this, because the people are forced by the fabric manufacturer to buy shoddy whether they want to or not, and, of course, the rag and shoddy industries are anxious that the fabric manufacturers shall retain these powers.

When fabric manufacturers are forced to relinquish these unjust powers, and when the people are permitted to exercise their right to choose between shoddy and virgin wool and shoddy, then the rag and shoddy industries, like other industries, will have to convince the public of the merit of their product the same as every other manufacturer has to do, where the people are permitted to exercise their rights, and the law of supply and demand is permitted to operate.

The oleomargarine manufacturer "now" has to convince the public of the merits of oleomargarine before he can sell his product.

Even the manufacturers of fertilizers are required to state truthfully the contents of their product and must convince the purchaser of its merit in order to make the sale.

Secretary Lane, in his annual report, recommends that the people shall also have this same protection in the case of coal.

What fair-minded man is there who will say that 100,000,000 people in the United States should be deprived of their right to choose between shoddy and virgin wool and should be forced to pay the price of virgin wool for shoddy in order that the rag and shoddy industries can sell their product without having, like other manufacturers, to take the trouble to convince the people of the merit of their product?

Those who oppose protecting the public by making it compulsory to distinguish between shoddy and virgin wool seek to establish the "alleged" point that the best shoddy may be better than the poorest virgin wool.

But those who seek to make this point fail to state the fact that when the best quality of shoddy is used, such shoddy is not used in place of the poorer qualities of virgin wool, but is used in fabrics in which the purchaser has the right to expect not only virgin wool but the choicest of virgin wool.

They also fail to state the fact that the reason that the shoddy is used is because it costs the fabric manufacturer so much less than would the virgin wool from which the purchaser has a right to expect the fabric to be made.

They also fail to state that while the shoddy costs the fabric manufacturer so much less, yet the virgin wool price is secured from the purchaser.

We quote from a Boston publication known as *Fiber and Fabric*, issue of October 4, 1919: " * * * in some of the most fashionable imported goods that our so-called exclusive dressers must have the shoddy content is greater than virgin wool.

"Some of the best American-made goods offered the public are made up of scientific mixtures of virgin wool and shoddy * * *"

Please note that these are fabrics in which the purchaser has a right to expect not only virgin wool but the choicest virgin wool, and yet he gets instead a large percentage of shoddy, for which he is charged virgin wool prices.

Those who seek to establish the "alleged" point that the best quality of shoddy may be better than the poorest quality of virgin wool also fail to state the fact that in the cheapest fabrics made by fabric manufacturers who use shoddy, it is not the best quality of shoddy that is used, but the poorer quality of shoddy.

They fail to state the further fact that in these cheapest fabrics the cheaper and poorer quality of shoddy is used, not because this cheap grade of shoddy can equal even the poorest quality of virgin wool, but because even the poorest quality of virgin wool costs more than the manufacturer of those low-grade shoddy fabrics is willing to pay for his raw material.

They also carefully avoid reference to the fact that while the manufacturer of these low-grade shoddy fabrics uses a low-grade shoddy that can not equal in worth even the poorest grade of virgin wool, and while such fabric manufacturers use this low order of shoddy because it costs so much less than would even the cheapest grade of virgin wool, adapted to apparel fabrics, yet the great mass of the poor people are charged for these shoddy fabrics the price of virgin wool.

We quote the following from a letter received from a prominent retail clothing merchant. What we quote is typical of what we are hearing from leading retailers from all parts of the United States:

"The shoddy materials that are now being sold as 'all wool' are a disgrace to our civilization.

"It sure is the 'day' of the shoddy man, and he is taking advantage of it."

Mr. Haskins also states that compulsory distinction between shoddy and virgin wool in fabrics would mean 90 per cent of the men, women, and children living outside of the Tropics would be compelled to go about advertising the fact that they could not afford to wear what the other 10 per cent were wearing, and that many people in moderate means would be no better off whether they were able to distinguish between a piece of goods made of virgin wool and one containing shoddy.

Every person, whether rich or poor, would be benefited by knowing when fabrics and clothes contain shoddy, because this knowledge is the purchaser's only protection against those who would charge him virgin-wool prices for shoddy.

Furthermore, it is every person's right to choose between shoddy and virgin wool and failure to distinguish between shoddy and virgin wool, deprives the purchaser of his inalienable right of choice.

Mr. Haskins complains that the purchaser has not been given an explanation of what he must be satisfied with, should he find it beyond his means to buy virgin wool cloth.

When the people are permitted to exercise their right to choose between virgin wool and shoddy—the exercise of this right is the only thing the people or anyone else asks.

When the people are permitted to exercise this right, they will, if too great a price is charged for virgin wool, purchase shoddy, and if an unreasonable price is charged for shoddy, the people will purchase virgin wool.

Furthermore, if shoddy possesses even one-tenth the merit claimed for it by those who extol its use, shoddy would, if identified, in spite of any prejudice, however great, that may now exist against the word "shoddy," soon become popular.

Furthermore, permitting the people to exercise their right to choose between shoddy and virgin wool would pit one against the other and would prevent an excessive price being charged for either.

It is the failure to make known the presence of shoddy that confers autocratic powers upon the fabric manufacturer; powers that enable the fabric manufacturer to force the sale of shoddy, whether the people want it or not; powers that make it possible to force the people to pay virgin wool prices for shoddy.

Those who extol the use of shoddy repeatedly state that cloth and clothes made from shoddy can be sold much cheaper than can those made from virgin wool; but they do not state the fact that it is only when it is made compulsory to reveal the presence of shoddy that these fabrics and clothes containing shoddy will be sold at a just price, and it is only then that the people will enjoy this advantage.

It is the truth-in-fabric law that will give the people this advantage.

There are many people to-day, both men and women, who wear second-hand clothes, but they do not go about advertising the fact, and it would be no more necessary for those who purchase shoddy to advertise the fact, inasmuch as the labels designating contents of fabrics would be taken off, the same as the size tickets are taken off before the clothes are worn, and in the event that the stamp on the fabric is not covered by lining, the stamp can be obliterated.

There is no more reason in attempting to justify the sale of shoddy without making its presence known on the ground that it would soothe the pride of the purchasers than would there be to claim the right to sell second-hand clothes as new in order to save the purchaser from any sense of humiliation which may now be felt in purchasing a second-hand suit.

The crux of all the labored arguments advanced by the shoddy interests and adherents against the truth-in-fabric law, making it compulsory to distinguish between shoddy and virgin wool, is just this:

A plea to keep the public in ignorance of the presence of substitutes in fabrics so that fabrics can be sold which it is "alleged" people would not buy if the truth were told and the people were permitted to know what they were buying.

By deception or omission, to sell a purchaser a thing that the purchaser would not buy if he knew the truth, is just plain "fraud," and yet, does it not seem that it is precisely this thing for which a plea is made?

That Mr. Haskins is conscious that it is wrong to permit the people to believe they are purchasing virgin wool when they are purchasing shoddy, is evidenced by a published statement of Mr. Haskins which appeared under Mr. Haskins's name in the Daily News Record of New York of September 8. We quote from this statement as follows:

"For years the clothing trade have, in a sense, been taking money under false pretenses, in that they have emphasized the fact by advertising and other methods, that their goods were all wool. Their statements were true enough, even though 50 per cent of their goods might have been wool shoddy. But the average person has bought such goods with the belief that all wool meant virgin wool. Now * * * the cat is out of the bag. Certainly, all the clothing manufacturers can not claim they are making nothing but virgin-wool fabrics, because careful students of the subject have developed the fact that all the virgin wool in the world only allows 14 ounces a year to each man, woman, and child living outside the Tropics."

It is the privilege of the fabric manufacturer who believes in the superiority of his fabrics that contain cotton or shoddy, first, to tell the customer to whom such fabrics are offered, that the fabrics contain cotton or shoddy, and second, to convince the customer of the "alleged" merit of the fabrics and thus to make the sale.

But for fabric manufacturers to seek—over the purchaser—the advantage which the unrevealed presence of substitutes gives—an advantage by which the fabric manufacturer's "will" and "desire" may be imposed upon the people without the people's knowledge or consent—amounts to an autocratic spirit and purpose that have no place in present-day human relations, and which the people will no longer tolerate when once they know of the injustice that is being imposed upon them by the unrevealed presence of substitutes.

So great is the temptation to charge virgin wool prices for shoddy—which results from the unrevealed presence of substitutes in fabrics and clothes—that only those with the most vigorous integrity can resist the temptation, and the public is, as a result, completely at the mercy of the unscrupulous.

The issue is not that shoddy is sold.

The issue is not as to how much shoddy is sold.

The issue is not as to the relative merits of shoddy as compared with virgin wool.

The issue is that selling shoddy without making its presence known throttles sheep husbandry.

The issue is that selling shoddy without making its presence known forces the people to wear clothes made from rags, instead of virgin wool, and forces them to pay exorbitant prices for those shoddy clothes.

The issue is that selling shoddy or any other substitutes without making its presence known, abrogates the law of supply and demand by depriving the people of their rights to choose between the genuine and the substitute, violates economic law, outrages moral law, and sets at naught truth and justice, which must be established and maintained if civilization and organized society are to endure.

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